

R 145070

JPRS-SEA-84-060

25 April 1984

Southeast Asia Report

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25 April 1984

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SYDNEY EDITORIAL ON GULF BETWEEN LABOR, FOREIGN BANKS

Sydney THE SYDNEY MORNING HERALD in English 7 Mar 84 p 8

[Editorial: "Labor and the Foreign Banks"]

[Text]

IF ONE ever wanted evidence of the gulf that divides O'Connell Street, Sydney, from the Parliamentary Triangle, Canberra, the debate over the issue of licences to foreign banks offers a prime example. At the same time as Sydney's money-men are attacking the Martin report for its cautious and compromised approach to foreign-bank entry, a significant section of the Federal Labor Caucus is expressing the Labor rank and file's deep suspicion of what it regards as a radical proposal by the Martin group. The money market is unhappy because the Martin report recommended the issue of only four to six new banking licences, with foreign banks limited to 50 per cent equity in any Australian subsidiaries; the Labor Party is unhappy at the thought of any foreign participation in Australian banking.

It was Mr Martin himself who bridged this gulf with his remark at an Economic Society seminar last week that new banks should be 100 per cent owned by a single shareholder in order to maximise economic efficiency, but political pressures meant such a proposal was unrealistic. The

money market's economic arguments were well put by Dr Tom Valentine of Macquarie University at the same seminar. He argued that with only 50 per cent of the shares a major foreign bank would be less likely to make a full-scale commitment to its Australian investment, which would limit the degree of competition it provided against the four big domestic banks. And it was likely to be difficult to find enough financially strong local companies or institutions interested in putting up the funds needed to establish a solidly capitalised bank.

But against all this economic good sense must be set the political realities. One reality is that the official policies of both the Labor Party and the ACTU are — at the moment, at least — against the admission of foreign banks on any terms. And on Sunday the Queensland State Council of the ALP — a council dominated by the relatively enlightened Centre-Left faction — reaffirmed its opposition to the entry of foreign banks. Yesterday Federal Caucus delivered a firm warning to the Cabinet that it should hasten slowly on the issue and that

Caucus committees should be fully consulted.

The foreign banks and disinterested observers within the financial community would do better to turn their attention from criticising the Martin report to educating public opinion and, more particularly, Labor opinion. Labor needs to understand that the existing banks are the inevitable beneficiaries from the financial deregulation which has already taken place, let alone that which is almost certainly to come. If this deregulation is to result in cheaper prices and improved services to bank customers rather than simply higher bank profits, increased competition between the trading banks is essential. And while the issue of

new licences to suitably qualified local institutions would be welcome, Labor is deluding itself if it believes that such institutions could provide the degree of additional competition required. Dr Valentine has made a final point which Labor would do well to ponder. If the concern about foreign-bank entry stems from a fear that foreign banks could not be trusted to act in the national interest, this is an argument for full rather than partial foreign ownership. The political reality is that it would be much easier for the Government to revoke the licence of a 100 per cent foreign-owned bank than to act against a bank which was half owned by Australian interests.

CSO: 4200/656

COMMISSION TOLD REFUGEE POLICY FAVORS VIETNAMESE

Sydney THE SYDNEY MORNING HERALD in English 28 Feb 84 p 2

[Text] CANBERRA.--Australia's intake of Indo-Chinese refugees has favoured Vietnamese refugees at the expense of those from Kampuchea and Laos, the Human Rights Commission was told yesterday.

Figures from the United Nations High Commission for Refugees (UNHCR) and the Department of Immigration and Ethnic Affairs showed Vietnamese made up 76 per cent of Australia's intake of Indo-Chinese in 1981-82 but represented only 25 per cent of refugees in Thai camps.

Mr Rod Plant, who has been involved for several years with refugee resettlement and is a member of the Refugee Council of Australia, was appearing at the commission's inquiry into the Migration Act.

Mr Plant said the UNHCR estimated there were 10 to 14 million refugees in the world in the 1981-82 period but only a tiny percentage--209,000 people--required resettlement.

He said 92-93 per cent of this number were Indo-Chinese, 79 per cent of them living in Thailand.

Mr Plant said refugees from Laos made up 40 percent of those in the camps but made up only 6 per cent of Australia's intake.

Similarly, Kampuchean refugees comprised 33 per cent of Thai camps' populations but represented only 18 per cent of Australia's intake.

Mr Plant said this financial year 76 per cent of Australia's refugee intake would be people of Vietnamese origin, despite a decline in the number of refugees from that country.

This was contrary to stated immigration policy to help the most desperate cases, he said.

The commission was also told that action by the Immigration and Ethnic Affairs Department against illegal immigrants appeared to be racially biased because it took less time and resources to detect non-European offenders.

The department's secretary, Mr Bill McKinnon, told the commission it might take a quarter of the time to track down an illegal immigrant from Samoa compared to someone from England.

The Deputy Chairman of the commission, Mr Peter Bailey, told Mr McKinnon it appeared from the department's submission that the bulk of illegal immigrants detected had "coloured skins."

Mr Bailey said that was despite the possibility that the highest number of illegal immigrants were from Britain.

The commission's Chairman, Dame Roma Mitchell, said she could not understand why this situation existed in a multi-racial society like Australia.

--The Opposition Immigration and Ethnic Affairs spokesman, Mr Modgman, yesterday accused the Federal Government of being anti-British and anti-European in its migration policies.

Mr Hodgman said the number of settlers arriving from the United Kingdom and Ireland had fallen by 33 per cent and migration from European countries had fallen by more than 22 per cent.

CSO: 4200/656

WIDE-COMB SHEARERS FACE GROWING VIOLENCE

Christchurch THE PRESS in English 17 Mar 84 p 1

[Article by Paul Ransley]

[Text] Hundreds of New Zealand shearers who have crossed the Tasman to work in Australia have found themselves at the centre of growing violence in the outback.

In New South Wales in particular, car bombings and bashings have become regular occurrences. Houses have been set on fire, and men and women have been threatened with loaded shotguns. The police fear it will not be long before someone is killed.

The battle lines are clearly drawn. On one side are the New Zealanders and many Western Australians who with their controversial wide-comb shears have moved into outback areas of New South Wales, Victoria, and Queensland. On the other side are members of the Australian Workers' Union who say they are losing jobs to the outsiders.

The New Zealanders are popular employees. They are not members of the union, they are prepared to work longer hours for less money, and to overlook breaches of the award agreement. The graziers, who are still recovering from a serious drought, welcome them with open arms, but that is to the detriment of the locals.

As a result there have been serious outbreaks of violence in small country towns. This week a grazier near Broken Hill was bashed after he tried to run union officials off his pro-

perty. The union officials were complaining that non-union labour was working at night. According to the police the grazier produced a shotgun and fired over the heads of the union men who disarmed him and beat him.

Four hundred kilometres away in Bourke a riot erupted when the local shearers attempted to confront a farmer. The police intervened and the ensuing brawl, according to witnesses, was bloody and ugly.

Many instances have occurred of New Zealand shearers being attacked and bashed. So far the police, farmers, and graziers have prevented a major confrontation by keeping the New Zealanders out of the towns but they fear what will happen if the New Zealanders tire of the aggression and enter the towns in force.

The police at Bourke say they believe there are up to 200 New Zealanders working on stations nearby and they want to keep them there.

But the violence is not confined to just one side. The union members claim they have been victims of attacks by New Zealanders. The local shearers say they have had vehicles and houses set on fire.

As this dispute rages it is clear that neither side is lily-white. What is clear is that the innocent bystanders are suffering. Townspeople

who run businesses and provide services are being threatened and intimidated.

A Bourke publican, Mr Frank Mirkich, says he was told that if he continued to serve New Zealanders his premises could be destroyed, and he and his wife injured.

Some businesses have had union black bans imposed on them and suffered a resulting loss of trade.

New Zealand shearers have always been coming to Australia but their numbers increased dramatically when the Arbitration and Conciliation Commission approved the use of the controversial wide-comb shears. The New Zealanders are happy to use them and are experienced in their use.

The Australian Workers' Union, which represents shearers, fought a long and hard battle against the wide combs, claiming that award conditions would be broken down. Now with that battle lost the union's anger has turned against the New Zealanders.

The union has powerful friends, among them a Victorian Senator, Mr Robert Rae. At the next meeting of the Labour Party's Federal caucus he is expected to spearhead moves to have New Zealanders banned from entering the Australian shearing industry.

The union says the violence will continue until that occurs.

TRADE OFFICIAL ON CER EXPORTS TO NEW ZEALAND

Wellington THE EVENING POST in English 17 Mar 84 p 17

[Article by Chris Peters]

[Text] CANBERRA, March 15.--Australians are finally beginning to wake up to the export opportunities in New Zealand under closer economic relations, according to a senior Department of Trade official in Canberra.

He said exports were beginning to pick up and with the second automatic mutual reduction in tariffs at the new year the pace would quicken.

"We're getting a lot of people coming in to say they had just had their first-ever exports to New Zealand," he said.

"In areas where there hasn't been much trade, sales have shot up. A lot of Australian companies weren't even trying to export to New Zealand, but now, especially in the second half of the 1983-84 financial year, it's happening."

The Minister for Trade and Deputy Prime Minister Lionel Bowen this week called on Australian exporters to approach the New Zealand market more aggressively, and the trade official expected the minister would get his wish.

The minister, who has strong views about the importance of CER, has called on Australian companies to take full advantage of the latest issue of exclusive import licences allocated by New Zealand and also to try for the global licences being offered across the Tasman.

The two main factors in increasing exports across the Tasman have been the latest batch of exclusive trading licences issued by New Zealand, and the second reduction in tariffs.

In the first 18 months of the CER New Zealand offered \$170 million (\$NZ241.4 million) worth of exclusive licences to Australia of which about \$115 million worth were taken up. For the present 12 months, \$140 million are on offer--an increase that Australian officials see as encouraging.

The Australians are doing their bit to push New Zealand importers into buying Australian with a letter campaign urging them to apply for the licences to bring in Australian goods.

Last year they wrote to between 2000 and 3000 firms, and this year are sending 4000 letters, backed up by conferences in the four main centres.

"A lot of New Zealand importers knew about CER but didn't see it as something they had to do anything about," he said.

CSO: 4200/657

AUSTRALIA

BRIEFS

OFFSHORE BANKING STUDY--NZPA-AAP Canberra--The Federal Government will establish a working party to develop and assess legislation for offshore banking in Australia, the treasurer, Mr Paul Keating, said yesterday. Mr Keating said the working party of officials would be set up as soon as possible and would include representatives of the New South Wales and Victorian Governments. Mr Keating said the Government was favourably disposed to offshore banking in Australia subject to satisfactorily resolving potential difficulties such as tax and supervision. "The Government recognises that any concessions aimed at the establishment of offshore banking activities must not represent an avenue for tax avoidance, provide undue sectoral assistance or threaten other policy objectives." [Text] [Auckland THE NEW ZEALAND HERALD in English 21 Mar 84 p 1]

CSO: 4200/657

WAYS TO ACQUIRE FUNDS FOR PELITA IV DETAILED

Jakarta KOMPAS in Indonesian 16 Feb 84 pp 1, 12

[Article: "Minister of Finance Radius Prawiro: Financing Fourth 5-Year Plan Can Be Arranged; Basic Insurance Law to Be Introduced"]

[Excerpts] Jakarta, KOMPAS--Financial resources needed for the Fourth 5-Year Plan can be obtained, and even more than the amount required can be made available. However, there is also a possibility that the planned financial arrangements cannot be completed due to other variables which Indonesia does not control.

Minister of Finance Radius Prawiro made this statement at a discussion panel sponsored by the newspaper, SUARA KARYA, on Wednesday [15 February] at the Bali Hotel Indonesia. The theme of this discussion panel was the role of the business world in the Fourth 5-Year Plan.

Three Sources

Minister of Finance Radius went on to say that it is planned to provide 145.2 trillion rupiahs to finance the Fourth 5-Year Plan, or an average of 29 trillion rupiahs which must be invested each year. It is planned that these funds will be obtained from three sources: funds from the government of 48.3 trillion rupiahs and funds from the people of 69.1 trillion rupiahs. The remaining portion of 27.8 trillion rupiahs must be obtained from foreign sources.

The government planned to be contributed is considered rather large, particularly because it is no longer anticipated that petroleum receipts will have a large role to play. The government portion will be obtained particularly from tax receipts.

Out of domestic receipts planned to amount to 121.7 trillion rupiahs for the entire period of the Fourth 5-Year Plan, tax receipts, apart from those collected in the petroleum and natural gas sector, are expected to amount to 48.6 trillion rupiahs. This is based on the calculation of an average increase of 25 percent in tax receipts each year.

During the Fourth 5-Year Plan the role of tax receipts from sectors other than the petroleum and natural gas sector, as a proportion of total domestic receipts, will increase from 32 percent during the first year of the plan to 40 percent by the last year. The minister said: "It is hoped that the new system now being applied in the tax area will help to reduce tax avoidance and will result in a broader tax base,"

the minister said. He added that the new tax system will result in far larger tax receipts than those presently collected, even though the tax rate will be lower.

Tax receipts outside the petroleum and natural gas sector will increase from 8 percent during the first year of the plan to 13.5 percent in the last year in terms of Gross Domestic Product (GDP). As a result, taxes as a whole will go up from 6 percent during the first year of the Fourth 5-Year Plan to 10.3 percent during the last year of the plan, in terms of overall GDP (including both petroleum and natural gas and other products).

Insurance Funds

Arranging development financing with funds obtained from the people, planned to amount to 69.1 trillion rupiahs, can be achieved in a number of ways: through bank deposits by the people, the use of insurance and pension funds, and other sources. This can also be done through the development of a money and capital market and through the expansion of efforts to mobilize funds in village areas.

He said that the total funds planned to be obtained from these sources are rather large, particularly in view of the hoped for increases in investments by the people. These funds will increase from 7.9 trillion rupiahs during the first year of the Fourth 5-Year Plan to 21 trillion rupiahs during the last year of the plan.

One type of funds from the people which will be used is resources obtained from insurance activities. It is hoped that these funds can be invested in a more orderly way in development projects, so that they will provide a meaningful addition to the financing of the Fourth 5-Year Plan. Minister Radius said: "With this purpose in mind the government will soon present to Parliament a draft insurance law."

He added that in an effort to strengthen the insurance business, the tax law contains a provision that profits from insurance business used to encourage the accumulation of special reserve funds (reserves from premiums and reserves for losses) will be permitted to be reduced in the calculation of profit, as a source of finance.

The minister again referred to the monetary policy of 1 June 1983. He said that this policy was aimed at achieving a proper rate of interest, both interest on savings as well as on loans. This policy also abolished the interest subsidy which, basically, had been assumed by the depositors. In this way the allocation of economic resources will be more efficient. On the other hand credit subsidies will only be provided for business enterprises carried on by economically weak groups.

In an effort to mobilize funds from village areas, the activities of village branches of the Indonesian People's Bank [Bank Rakyat Indonesia] are now being increased. At the same time general credits will also be made available in village areas.

According to Radius, what really needs to be strengthened in achieving investment goals in the private sector is making use of funds which, up to now, have not been channeled through the banking structure. These efforts will very much depend on the operations of the banking sector.

Another way of attracting funds from the people for development purposes is through the capital market. At present the government is reviewing action to be taken to increase the functional effectiveness of the capital market. It is hoped that the development of the money and capital market will be a means of ensuring the participation of the people in development financing.

Foreign Sources of Financing

If capital resources for the financing of the Fourth 5-Year Plan could only be found in savings by the government and the people, it appears that economic growth could not be supported at the 5 percent level per year during the period of the plan. To meet this goal, funds will be needed from foreign sources. Among other things, these funds can be obtained from official, government loans, generally from countries which are members of IGGI (Inter-Governmental Group on Indonesia). Funds can also be obtained from Indonesian private sources which, in turn, are derived from private foreign sources of capital and the import of capital in the form of foreign capital investment.

As far as capital receipts in the form of foreign government loans are concerned, it appears that this presents no special problem. This is because the important aspect is relating loans to our ability to repay them in the future. With the entry of Indonesia into the group of countries which are no longer considered poor, Indonesia will no longer have the right to obtain soft loans, particularly from the World Bank and the Asian Development Bank.

5170

CSO: 4213/175

USE OF DOMESTICALLY-PRODUCED ITEMS STRESSED

Jakarta MERDEKA in Indonesian 9 Feb 84 p 10

[Article: "MENMUD UP3DN at ITS Says Domestic Products Face Sharp Competition"]

[Text] Surabaya, Wednesday [8 February]--Five programs need attention and must be carried out responsibly if we are to increase the use of domestic products, said Engr Drs Ginandjar Kartasasmita, vice minister [MENMUD] for increasing the use of domestic product affairs [UP3DN].

In his lecture to the Surabaya Technology Institute [ITS] community on Tuesday [7 February], the MENMUD said the five programs cover the need to protect domestic products with tariffs and quotas, to promote domestic production, and to get the people to use domestic products.

Further, government agencies must use domestic products and must develop a communications network between producers and consumers.

To implement these five programs, Indonesians must become aware that national development does not merely consist of physical development. "It is most important for us to develop mentally so that we can have a proper appreciation of our own efforts," the MENMUD stated firmly.

Domestic products generally face sharp competition for consumers in the market place. On the other hand, Indonesians have for a long time been fascinated by foreign products. As a result some of the people in the country find it hard to accept domestic products.

Another obstacle often encountered by domestic producers, the minister said, is the packaging of the product. "Many consumers feel a product is good if it is packaged attractively while the contents are actually no better than the domestic product," he said.

Minister Ginanjar cited as an example the company that always buys foreign-made computers although reliable domestically-produced computers are available but not ordered only because they are less pleasingly designed and do not look as good in an office.

Problems are encountered in exporting domestically-produced items, the minister noted, with the conditions levied by importers that often cannot be met by domestic producers. Advanced nations provide strong protection for their products. "Therefore, it is time Indonesia levied strict conditions on imported items to protect domestic production," he added.

Concerning prices, the minister said, of course some domestic products cost most than similar foreign products because production costs are higher than they should be. If production is low, costs will be greater. Therefore, more of this item must be produced to level off the costs of production.

Nevertheless, the minister remarked, if production is increased, problems are encountered with marketing.

Heavy equipment must also be produced domestically because their prices are competitive with those of foreign products. Patrol ships produced by PT PAL [Navy Ship Repair Company] ordered by the Customs Services, for instance, cost only one-third that of similar imported ships.

The minister reminded his listeners that special treatment and protection offered to domestic products at the same time should by nature be educative. "Let us not make it too easy to sell domestically-produced items. This causes producers to be satisfied with their products, and they no longer will attempt to make them good enough to compete with imported items," he said.

6804

CSO: 4213/171

PRESIDENT DEDICATES OIL REFINERY EXPANSION AT DUMAI

Jakarta KOMPAS in Indonesian 17 Feb 84 pp 1, 12

[Article: "President Dedicates Dumai Refinery; Indonesia Is Beginning to Reach Stage of Fuel Self-Sufficiency"]

[Text] Dumai, KOMPAS--After the Cilacap Refinery, dedicated in August 1983, and the Balikpapan Refinery in November 1983, President Soeharto dedicated another, expanded oil refinery in Dumai [mainland Riau Province] on Thursday [16 February]. The chief of state said: "With the completion of the expansion program at this refinery, Indonesia is now beginning to reach the stage of fuel self-sufficiency. The president spoke at the ceremony dedicating the project. He was accompanied by Mrs Tien Soeharto and a number of cabinet ministers.

According to President Soeharto, with the achievement of fuel self-sufficiency, Indonesia will be in a better position to undertake the Fourth 5-Year Plan, which is the time frame for creating the basic structure of national development. This effort will be continued during the Fifth 5-Year Plan. By the time of the Sixth 5-Year Plan the foundations will be in place for carrying on the national development program with our own resources.

The chief of state said: "In the course of the development activity we undertake, we are all determined to achieve self-sufficiency in all fields." He added that, of course, it will take a long time to create the capacity that will make it possible to rely on our own resources. However, efforts toward that goal must continue to be the center of our attention. As long as we are not yet able to rely on our own resources, particularly in strategic sectors, we will still be vulnerable to a variety of concerns.

The Dumai Refinery will process residue oils (LSWR--Low Sulphur Waxy Residues) and will have a throughput capacity of 92,000 barrels of LSWR per day. It will produce fuels equivalent to 198,000 barrels of crude oil per day. Together with the Cilacap Refinery, which has a capacity of 300,000 barrels of crude oil per day, and the Balikpapan Refinery, whose capacity is about 260,000 barrels of crude oil per day, the three refineries will be able to process about 800,000 barrels of crude oil per day.

To meet domestic fuel requirements at present, Indonesia is processing about 20,000 barrels of crude oil per day in the Philippines and about 150,000 barrels of crude oil per day in Singapore. To make up the shortage of fuels, Pertamina

[State Oil and Gas Company] is also paying cash for between 65,000 and 70,000 kiloliters of kerosine and solar oil per day at the refineries in Singapore.

Dumai Refinery

Construction of the Dumai Refinery was begun by Pertamina in 1969 with two refinery units: the Putri Tujuh [Seven Sisters] Oil Refinery, with a throughput capacity of 100,000 barrels of crude oil per day, and the Sungai Pakning Oil Refinery, with a capacity of 50,000 barrels per day. In addition to producing fuels such as gasoline, kerosine, and solar oil, about 55 percent of the raw material used by the Dumai Refinery consists of LSWR residue oil. Up to the present, the LSWR residue oil could not be used in Indonesia and was therefore exported to Japan and the United States. However, the international market price for the residue oil is low, and it is often difficult to sell.

Therefore, according to Minister of Mining and Energy Soebroto, the Dumai Refinery was expanded to process LSWR into fuel. In addition to that, the Dumai Refinery also has a "calciner" unit which is capable of producing 767.3 tons of calcined coke per day, which will be used for the alumina plant at Asahan [North Sumatra].

Joedo Sumbono, principal director of Pertamina, reported that ground clearing for the construction of the expanded area at the Dumai Refinery began in 1980, while physical construction began in June 1981. The project, which is better known as the Dumai Hydrocracker Project, basically is a single complex which consists of nine processing units, 45 storage tanks, and oil piers.

Kerosine, gasoline, solar oil, LPG [Liquified Petroleum Gas], and super grade gasoline will be produced by these units.

5170

CSO: 4213/175

HEADCOVERINGS FORBIDDEN FOR UGM WOMEN'S ID PHOTOS

Jakarta TEMPO in Indonesian 4 Feb 84 p 64

[Article: "Headcoverings Not Permitted on Photos"]

[Text] Headcovering cases arise at UGM; hair and ears must be visible in photos used for student identification cards.

The stir caused last year by senior high school women students in Jakarta and Bandung who wore headcoverings or veils is now being felt on a university campus. Dozens of women students at the Gajah Mada University [UGM], who usually wear headcoverings, were concerned when they read the announcement of the rector earlier this year on the requirements for students reregistering for the second semester. One of the requirements that bothered them was that each registrant was required to submit a passport photograph in which the student's hair and ears were visible in order to obtain a student identification card.

Women students have been concerned about this since October, according to Subaryati, a pharmacy student. At that time Subaryati and some 50 women students received a summons from the university. "The summons raised questions in my mind," Subaryati remarked because those who recieved a summons were required to bring along a photo showing them unveiled. "Moreover, the photo on my KTP [Resident Card] shows me wearing a veil, and my friend also has a photo showing her veiled on her SIM [drivers license]," Yesti, another veiled student, complained.

The students' anxiety dissipated when they responded to the summons because there was no written decision that prohibited them from turning over a passport photo showing them veiled. They became anxious again after Rector Prof Dr T. Jacob issued the announcement regarding the need to have a photo without headcovering for reregistration. This meant there was some question about veiled sutdents being permitted to attend classes. "We know this is a university regulation, but we are obligated to wear the veil because it involves our religious faith," said Subaryati. Her friend, Yesti, added, "Where is the law that says we have to have a passport photo showing us unveiled? This is still forbidden to us," she said.

Fortunately, the argument between veiled women students and the university did not get out of hand. Last week the veiled students received their student ID cards with the note that they were expected to have photographs for the next semester that showed them without the veil. "Praise to God, we are still authorized to wear the veil," remarked Subaryati happily.

Dr Busono, veterinarian, master of science, and assistant rector I of UGM, confirmed that the university did not want to force female students to be photographed without headcoverings. That photo policy, according to Busono, had been in effect since the first semester of the school year. At that time, Busono said, 150 women students turned in photos showing them veiled. "However, after their understanding was invited, only 54 maintained their position on the issue," Busono added. Busono did not consider this a big problem since only a small portion of the 23,000 registered students at UGM are students who wear veils.

However, Busono expects all women students to obey the university regulation. It was only UGM's acceptance and registration announcement for new students to study under the Pioneer Project I for 1983-84 that contained the requirement to turn in a photo in which the student's hair and ears were visible. Other colleges in which the Pioneer I program is offered, such as the University of Indonesia, ITB [Bandung Technology Institute], UNPAD [Pajajaran University], USU [North Sumatra University], and others had no such requirement. "There was no purpose whatsoever behind the requirement except that the face of the individual had to be clearly visible to insure that no fraudulent ID could be made," Busono remarked. For that reason, Busono said, women students who remain "stubborn" about being veiled will have to accept this requirement later, in any case when they get their diploma. "The diploma is authentic proof of graduation so fraudulent preparation of a diploma should not be facilitated," Busono added.

Other universities, of course, do not bother with special requirements for photos. At ITB, for instance, student photos are only required to show the face and any identifying marks found on the face of the bearer. "Whether a veil is worn or not does not matter," Sakib Machmud, ITB public relations officer, said. He also noted that to date there has been no special Department of Education and Culture decision on what photos should show.

UNPAD in Bandung took the same attitude toward photographs. "A front rather than a 'three-quarter' view is important," Drs Suatmadi, chief of the UNPAD Statistics and Registration Section, said. Photographs for student ID cards, Suatmadi noted, only prove that the bearer has met his responsibilities as a student, such as paying the SPP [student development contribution], registering, and participating in an educational program. "So, there is no need to have a special decision for the photograph," Suatmadi added.

Other than having various decisions on photographs at universities, the decisions regarding photographs differ in various agencies. Photos taken for passport purposes, for instance, must be close-up--showing the face in clear detail, according to Sumakno, public relations officer for the Immigration Directorate General. "Hair and ears are important for identifying a person,"

Sumakno said. Therefore, women planning to go on the haj must take off the veil when photographed even though they wear headcoverings every day. These regulations, however, are only valid within the immigraph sphere, Sumakno added.

Lt Col Zwingli Manu, deputy chief of the Central Recognition Service of the Police Indentification Bureau, admitted that no legal decision existed to govern passport photographs. Therefore, "each agency establishes its own regulations," Manu remarked.

Photos began to be used for identification purposes, according to Manu, in 1911. "They were used in particular at that time for criminal cases," he said. Since then, they have been increasingly used for identification purposes. Police, for instance, require front and side views on identification photos. These two poses are taken, Manu said, in order to be able to show the face from all aspects and with all distinguishing marks. "However, this is a police requirement. These two views are not needed to identify persons on residents identification cards, student ID's, or diplomas," he said. It is only important for these documents to show the bearer, Manu said.

6804
CSO: 4213/171

INDONESIA

PPP WOMEN MEMBERS FORBIDDEN TO WORK OVERSEAS AS MAIDS

Jakarta SINAR HARAPAN in Indonesian 10 Feb 84 pp 1, 12

[Article: Karmani, SH, Says PPP Women Members Are Forbidden To Work as Housemaids Overseas"]

[Text] Semarang, 9 February--Women members of the Central Java Development Unity Party (PPP) were forbidden to register to work as housemaids in Saudi Arabia.

On Monday (7 February) Karmani, SH [Master of Laws], chairman of the Regional Executive Council (DPW) of the Central Java PPP, made this statement to SINAR HARAPAN in regard to sending housemaids to Saudi Arabia.

This conflicted, Karman said, with the ideals of Kartini [revered first Indonesian feminist] and was not in accord with the people's identity. Further, all households in Arab countries are closed to outsiders so the safety of housemaids cannot readily be controlled.

Karmani, who is also deputy chairman of the Central Java Level I DPRD [regional legislature], added that sending women to work overseas degrades the country and women. If we send women to work overseas, it indicates that no work is available in Indonesia or that the life of the worker has come to a dead end. At the same time, it shows the outside world the problems we are having and our inability to resolve them here. We should send women overseas, Karmani said, only if they can be employed in a specialist capacity.

Slaves

Karmani urged those of his constituents who had economic problems to go to the villages and work hard rather than working as a housemaid elsewhere.

Housemaids, Karmani said, are slaves and the polite word used for them goes against what is said in the 1945 Constitution. Karmani was surprised that Indonesian women's organizations maintained a stony silence on sending women to work overseas and were not the least suspicious about this program.

The Manpower Department was called on to observe the shipment of women workers to other countries except women who went as experts as well as men.

Karmani said there actually is enough work in the homeland if people are serious about finding a job. For example, he disclosed that training was available in skills to be used in "home industries," moreover, women could be employed as parking attendants.

Actually the regional government should be cautious in sending women off to do such work and not just let them be lured into a job without considering the negative impact. Karmani will fight through whatever channel is necessary for Central Java women's rights to live and to work in their own country without sacrificing themselves to work like slaves in other countries.

6804

CSO: 4213/171

RELIGIOUS HARMONY SOUGHT THROUGH COALITION CONFERENCES

Jakarta KOMPAS in Indonesian 9 Feb 84 pp 1, 9

[Article: "Conference on Harmony Among Religions To Be Extended to Provinces"]

[Text] Semarang, KOMPAS--Conferences on harmony among religions, which constitute a coalition of adherents to any religion, are to be formed in Level I regions. To date, a pilot project for this new coalition conference has been established at the central level. "Of course, we have thought about forming them in the provinces, but in the meantime the conferences should be held at the central level so that they can serve as models for provincial conferences later," said Drs H.A. Zaidan Djauhary, a leader of the Department of Religion's project to build harmony among religions, on Wednesday, 8 February, in Ambarawa when escorting a group of central religious council leaders on a tour of the General Sudirman Islamic Center.

The central-level coalition for religious harmony was formed not long ago, he said. This is only the second meeting-tour. "Nevertheless, we see that relations between the various religious leaders are becoming close. This has been reflected in their daily activities," said Djauhary commenting on relations between these religious council leaders.

Activities to encourage harmony among religions at the central level include the holding of monthly meetings. Similar meetings are held with the minister of religion. The forums of these meetings are used to maintain harmony, and problems that arise are resolved in the conference forum. Problems arising between the government and religious leaders are similarly resolved.

The formation of this coalition was very well received by religious groups and by the regional governments. North Sumatra had offered to be a regional pilot project. "Level I regional coalitions definitely will be formed later," Djauhary said.

Projects envisioned are those that create more harmony in daily activities, for instance, the preparation of a "code of ethics" for mixed marriages. "At present more problems arise than could be expected in marriages between persons adhering to different religions. If they divorce, for instance, problems arise in dividing their possessions because they each want to use

the prescriptions of the religion to which they adhere," Djauhary said, adding, "if we can establish this code of ethics, we will have better implementation of the marriage law."

He also viewed it necessary to establish uniform burial procedures for persons following different religions. "At present persons of different religions are buried in separate cemeteries. If these small matters cannot be resolved, the lack of harmony will extend in particular to the villages," Djauhary remarked.

The Visit

The leaders of the various religious councils arrived in Semarang on Tuesday [7 February] to pay a 5-day visit to the Central Java region and Yogyakarta. Participants included the leaders of the MUI (Indonesian Ulema Council), the DGI (Indonesian Council of Churches), MAWI (Indonesian Church Heads Supreme Council), PHDP (Central Dharma Hindu Parishada), and WALUBI (Indonesian Buddhist Trusteeship). The delegation was headed by H. Aswasmarmo, SH [Master of Laws], secretary general of the Department of Religion, who was accompanied by his advisors.

6804

CSO: 4213/171

DEVELOPMENT OF FORESTS OUTLINED

Jakarta SINAR HARAPAN in Indonesian 8 Feb 84 p 11

[Article: "Some 400,000 Hectares of Forests Are Destroyed Each Year Because of Shifting Agriculture"]

[Text] Jakarta, 7 February--In a working meeting with parliament's Commission IV on Tuesday [7 February], Forestry Minister Soedjarwo said some 400,000 hectares of forests are being destroyed each year because of shifting agriculture. In several places the people's demand for forestry products has exceeded the forests' capability to regenerate. This not only impedes the forestry development program, Soedjarwo said, but also results in a loss of forestry products that could have produced foreign exchange.

Earlier the forestry minister explained that Indonesia had 143 million hectares of tropical rain forests which contain many unique varieties of fauna and flora. Of this total, Soedjarwo said, 20 million hectares consist of conversion forests, 30 million hectares are protected forests, 64 million hectares are producing forests (6 million hectares of which are planted in cash crops) while the remainder, that is, 26 million hectares, are forests that can be converted.

On being questions by Commission IV on the drop in the INPRES [Presidential Instruction] budget for greening and reforestation to 87.3 billion rupiahs for fiscal 1985, the minister replied that field activities would not be cut below the number conducted in previous years.

Soedjarwo explained that in 1983-84 the government is maintaining strict control over reforestation and greening in project areas. This apparently has had a negative impact on the programs. Project managers became frightened and the implementation of these programs has been delayed.

Therefore, the minister said, many reforestation and greening projects in this fiscal 1984 budget that were postponed must be completed.

Obstacles

Minister Soedjarwo responded to a question from a commission member saying that his department feels that obstacles to forest development are, first,

the lack of skilled manpower for the conservation of the 143 million hectares of forests. Basic preconditions for attempting any project, such as determination of the forest potential, establishment of boundaries for forestry and agricultural activities, and forestry management have not been met. By the end of PELITA III [Third 5-Year Economic Development Plan] only 400 surveyors had been trained, he said.

The lack of surveyed boundaries, Soedjarwo said, impedes development, particularly of those sectors in which agricultural land is the primary factor for production. Activities, of necessity, are limited and losses of investment occur because forestry and agricultural boundaries overlap.

The minister said foreign investment in forestry businesses is functioning now in accordance with Law No 1 of 1967 which refers to foreign capital as complementary to development. A forestry agreement contains the provision that HPH [forestry agreement rights] may be extended when the agreement expires. The government's policy is to extend the HPH beyond its 20-year period. So, if judged only from the economic technology aspect, it guarantees security to HPH companies to invest their capital in long-term projects and motivates them to establish fully-equipped forestry companies, in particular, those capable of developing resources.

Halting Log Exports

Responding to another question, the minister said no thought has been given to date to reviewing the policy on halting log exports. As of 1 January 1985, Soedjarwo said, it is expected that logs will not longer be exported.

He said wood processing companies operating at present, those under construction as well as those that have applied to operate would absorb only 77 percent of current forestry potential when fully on stream.

If the wood processing industry grows at a normal pace, a short fall in basic materials will occur only in the year 2010, based on our present forest potential.

With this forecast, the minister said, beginning with the first year of PELITA IV, we will begin to plant trees with a growth cycle of from 30 to 35 years for commercial wood processing as well as long-fiber trees and fuel-wood trees which have shorter growth cycles.

6804

CSO: 4213/171

CONSTRUCTION OF SUGAR MILLS OFFERED TO PRIVATE SECTOR

Jakarta KOMPAS in Indonesian 17 Feb 84 p 2

[Text] Jakarta, KOMPAS--Phase II construction of six new sugar mills has been rescheduled or postponed. Out of this total, four sugar mills which originally were to be built by a state-owned company have now been offered to the private sector.

During testimony by Engr Hasjrul Harahap, deputy minister of agriculture for the increase in production of hard fiber crops, before Committee IV of Parliament on Thursday [16 February], Soedjai Kartasasmita, secretary of the Indonesian Sugar Council (DGI), said that the government intended to construct 18 sugar mills, particularly in areas outside of Java. Construction of the sugar mills will be in three phases, each involving the building of six mills. Phase I construction has been completed, but Phase II construction has been halted by the rescheduling of development projects.

According to Soedjai, it is estimated that the construction of the six sugar mills under the Phase I program will be completed this year, or, at the latest, by the beginning of 1985. For example, the Sei Semayang II sugar mill in North Sumatra began test operations this month and, it is hoped, will begin grinding sugar cane next month.

It is hoped that the Cinta Manis sugar mill in South Sumatra will be able to begin test operations in June or July 1984. The same thing is expected of Ketapang sugar mill in Lampung Province, also in June or July 1984. It is anticipated that Subang sugar mill in West Java will begin test operations in April or May 1984. Takalar sugar mill, in South Sulawesi, possibly will not begin test operations until November 1984. Construction of Camming sugar mill may be delayed due to a number of problems, and it may not be until the end of 1984 or the beginning of 1985 that it will begin test operations.

Phase II

Six Phase II sugar mills were affected by the rescheduling of development projects. Padang Lawas sugar mill, which was originally to be built by PTP XV-XVI [sugar mill 15-16] was to be turned over to a private company. However, after a feasibility study by a Philippine company, it was concluded that its profitability level would be too low. The DGI is now offering the construction of this sugar mill to another private company.

A feasibility study has been completed on the Putih Mataram sugar mill in Lampung province, which was originally to be operated by a private company. A total of some 20,000 hectares of land for planting sugar cane has already been prepared. It is hoped that the mill will be in operation within 2 years and that, by 1985-86 it will have begun test operations.

Baturaja I sugar mill in South Sumatra, which was originally to be built by PTP XV-XVI, has also been turned over to a private firm for construction. Based on the results of the feasibility study, it appears at the present time that its level of profitability is not very attractive, and the project will be reconsidered.

Baturaja II sugar mill is now also to be taken over by a private firm, which is still engaged in completing its feasibility study. However, the planted area at Pleihari sugar mill in South Kalimantan has been developed, using guidelines determined by the PIR (Smallholder nuclear Plantations/Estates). It is estimated that the construction of the mill itself will be completed during 1985 or, at the latest, in 1986. The construction of this mill will be financed by the government and the World Bank.

Ladongi sugar mill in Central Sulawesi has been affected by the rescheduling of development projects and is now being offered to the private sector. Up to the present a number of private businessmen have expressed an interest in handling this project, but a feasibility study must first be undertaken.

Phase III

The construction of the six sugar mills in the Phase III program is now under way. The Muna sugar mill in Southeast Sulawesi, which was originally planned as a large mill, will be built by the Department of Cooperatives as a compact sugar mill, with a grinding capacity of 500 tons of sugar cane per day (TTH). At present a feasibility study concerning it is being prepared.

Regarding the Paguyaman sugar mill in North Sulawesi, the feasibility study has been completed. Sources of financing are now under study, as well as the question whether the project will be handled by the private sector. It is hoped that a feasibility study of the Los Palos sugar mill in East Timor will be completed this year. The Viqueque sugar mill in East Timor is still under consideration.

The Nakias I and II sugar mills in Irian Jaya, near Merauke, are still waiting for feasibility studies to be undertaken. It is hoped that these mills can be related to the transmigration program and be adapted to the standards of the PIR program for producing sugar.

According to the initial plans, the implementation of Phase I of the sugar mill construction program was to begin in 1981, and it was hoped that the mills would begin to grind sugar cane by 1984. Phase II was to begin in 1982, and it was hoped that these mills would begin to grind sugar cane by 1985. Phase III was to begin in 1983, and it was hoped that these mills would begin to grind sugar cane by 1986. In addition to the sugar mills being built under these three phases of the development program, an additional sugar mill in North Sumatra (PTP IX) was completed in 1983.

Secondary Industry

With the new sugar mills located outside of Java, an opportunity has been created for businessmen to establish primary industries. A factory can be set up to produce animal feed, using sugar cane stalks. A paper factory can be set up, using sugar cane pulp. Alcohol, yeast, bread, antibiotics, and monosodium glutamate can be made from molasses.

According to Soedjai, PTP XXIV-XXV [a sugar mill] is working with Brawijaya University in East Java. Research conducted at Grati [East Java] has succeeded in identifying a use for sugar cane leaves. The results of the research also showed that good quality animal feed can be made from sugar cane. The only problem is that in Java the farmers also need fresh sugar cane for their own livestock. A factory in Kediri [East Java] which produces animal feed from sugar cane has found it difficult to obtain enough raw material.

Outside of Java, Soedjai said, there is interest on the part of the private sector in building a factory to produce animal feed, using sugar cane as a raw material, with the product being exported. The possibility of building another such factory in North Sumatra is now under study, using sugar cane from the Sei Semayang I and II sugar mills.

Sugar Cane Pulp and Molasses

Sugar cane pulp is usually used as fuel for the boilers. However, in Java the Lecces paper factory is using the pulp, exchanging residue oil for it with the Jati-roto and Semboro sugar mills.

Outside of Java studies are also under way concerning the possibility of building a paper factory in Lampung Province, because in that area there are large sugar mills like Gunung Madu and Ketapang, and the Putih Mataram sugar mill will be constructed in that region in the future. The investment involved in building such a paper factory is rather substantial, possibly amounting to \$200 million.

Based on the results of studies that have been made, molasses can be turned into alcohol, both for replacing petroleum-based fuels as well as for alcoholic drinks such as arak [a type of brandy] or mixed with sake in Japan.

5170
CSO: 4213/175

BRIEFS

MORE COUNTER-PURCHASE CONTRACTS SIGNED--Contracts for government equipment related to the counter-purchase program which had been signed up to the end of January 1984 amounted to \$764,927,000. This was stated by Kardjono Wiryoprawiro, director general of domestic trade, in testimony before Committee VII of Parliament in Jakarta on Wednesday [15 February]. He was representing Dr Soesilo Sardadi, director general of foreign trade, who was unable to attend. Kardjono Wiryoprawiro said that contracts for government equipment which have been signed cover the purchase of fertilizer, the expansion of the Patal Textile Plant in Bekasi [West Java], the purchase of freight cars and locomotives, chemical raw materials, aircraft equipment, and equipment for the Bukit Asam coal mine. Other items included are drilling equipment, transmission equipment for the PLN [State Electricity Enterprise], telecommunications equipment for Perum Telkom [Public Telecommunications Company] and electrical and mechanical equipment for the construction of the Tandun palm oil factory in Medan [North Sumatra]. The countries bidding on this equipment have also increased in number. There are now 19 countries, including the United States, West Germany, Japan, and East Germany. Kardjono Wiryoprawiro said: "Up until now West Germany has been the country winning the most bids, followed by Japan and the United States." Until the end of January 1984 actual purchases of Indonesian exports under the counter-purchase program totaled more than \$238,470,000. Non-petroleum and natural gas commodities purchased included wheat bran, rubber, coffee, tin, children's toys, plywood, fresh shrimp, pepper, rattan mats, and aluminum. Kardjono said: "Plywood is the commodity most in demand, followed by rubber, coffee, and nickel in concentrates." [Text] [Jakarta SUARA KARYA in Indonesian 16 Feb 84 p 3] 5170

PRIORITY FOR AGRICULTURAL CREDITS--Prof Ali Wardhana, coordinating minister for economics, finance, and industry, has declared that the Indonesian Government will continue to give first priority in the allocation of credits to the agricultural and not to the business sector. He made this statement in his presentation to the SUARA KARYA discussion panel on the role of the business world in the Fourth 5-Year Plan. The discussion panel was held in Jakarta on Wednesday [15 February]. According to Ali Wardhana, the government's policy of giving first priority to the agricultural sector is based on the view that the agricultural sector is composed of the group of people whose income is the lowest. In addition, agriculture is an economically weak sector. However, he also gave another reason for this priority allocation: the scarcity or limitations on government funds in the State Budget at this time. This has forced the government to choose the agricultural sector. As for the business world, the government is also encountering obstacles in providing capital for development, he said. In this connection he gave the example of the

present State Budget, which amounts to 20.5 trillion rupiahs. Out of this total, about 4 trillion rupiahs, or about 20 percent, comes from foreign loans.

[Excerpts] [Jakarta MERDEKA in Indonesian 16 Feb 84 p 1] 5170

CSO: 4213/175

DK PERSONALITIES DESCRIBED

Bangkok BANGKOK POST in English 24 Mar 84 p 4

[Article in "Kampuchean Diary" column by Jim Wolf: "No Takers for Princely Palaces or French Food"]

[Text]

KAMPUCHEA'S ousted Khmer Rouge leaders have turned down calls to exile themselves, frowning on "princely palaces," to press their fight against Vietnamese forces in their homeland, resistance leader Prince Norodom Sihanouk said this week.

The prince, ebullient after a colourful diplomatic function at his de facto capital in a jungle clearing here, said the leadership felt they "must remain united" inside the country.

Both Khmer Rouge Premier Khieu Samphan and former foreign minister Ieng Sary stood by while the prince spoke.

Phum Tmei, close to the frontier with Thailand, is controlled by the Khmer Rouge, now said by Vietnam to be the main impediment to a Kampuchean settlement.

Prince Sihanouk, replying to a question, at first referred to self-exile suggestions from "some foreign personalities in New York" who had singled out former premier Pol Pot and Ieng Sary, reputed to remain the organisation's number one and number two men.

Prince Sihanouk said those pushing the exile idea in New York had sought to sweeten it by referring to the availability in Peking and Pyongyang of stately residences he uses on official visits — "princely palaces

with swimming pools and French cooking and so on."

But Khieu Samphan, the prince went on, had rejected the plan out of hand.

"We want to stay together. We do not want to be separated... Everybody must remain in Kampuchea and continue to fight the Vietnamese in order to liberate the country," the prince quoted Khieu Samphan as saying.

The prince then turned to Khieu Samphan and asked him specifically about Vietnamese Foreign Minister Nguyen Co Thach's statement in Canberra that the "elimination" of Pol Pot had become Hanoi's priority rather than meeting the perceived threat from China.

Khieu Samphan said: "It is not up to Nguyen Co Thach nor to the other Hanoi leaders to decide the affairs of Kampuchea."

Pressed by the prince on whether he rejected the exile suggestion, Khieu Samphan shot back: "Obviously."

AT the diplomatic function, the prince received the credentials of Malaysia's new ambassador to Democratic Kampuchea. A Peking-based Senegalese envoy, also due to present his credentials, failed to appear, apparently because of a last-minute problem.

Prince Sihanouk, whose dark grey business suit contrasted with the camp's dirt walkways and thatched huts, clinked champagne glasses with the Malaysian envoy and Khmer Rouge leaders.

The occasion marked the first public appearance of Khieu Samphan's wife, So Saroeurn, a villager from the western province of Preah Vihear.

She told me that she and her husband had two children: a 10-year-old boy and an eight-year-old girl.

PRINCE Sihanouk also seized the occasion to clarify a point of history, involving his relations with the Khmer Rouge when they held power from April 1975 until Vietnam installed a client government in Phnom Penh in January 1979.

The prince, at first a figurehead chief of state for the Khmer Rouge,

stressed to reporters that he had eventually resigned from this post of his own will.

Growing excited about the prospect of setting the record straight, he began to rush forward and shout for Khieu Samphan and Ieng Sary, who had temporarily strayed from the press conference, held in an open-air wooden pavilion.

"They did not reject me, I resigned," he bellowed. "Please ask the Khmer Rouge themselves. Ask them. They are here. Ask them," he shrieked.

The prince told reporters the Khmer Rouge leadership had actually gone to him twice to ask him to change his mind.

Ieng Sary, who rushed forward to see what the prince was getting excited about, confirmed Sihanouk's version as he gave it.

In the past, experts have generally held that the Khmer Rouge, from the moment they seized power in 1975, had no place for the prince in the country they renamed Democratic Kampuchea.

William Shawcross, in his authoritative book "Sideshow: Kissinger, Nixon and the Destruction of Cambodia," noted that Chinese Premier Chou En-lai, a great supporter of Sihanouk, died in February 1976.

"Sihanouk's protection was gone, the 'Gang of Four' radical faction was in the ascendant in Peking, and Khieu Samphan's promise of life tenure of the presidency was forgotten.

"The prince was immediately removed from office, and Khieu Samphan replaced him," Shawcross wrote.

Sihanouk officially announced his resignation in an emotional address over Radio Phnom Penh on April 4, 1976.

INHABITANTS SURVEYED ON PHNOM PENH CONDITIONS

Melbourne THE AGE in English 23 Feb 84 p 11

[Article by Michael Richardson: "New Life in Phnom Penh"]

[Text]

TRAFFIC lights at the main intersections here were turned on last month for the first time in nearly nine years.

The result: dozens of accidents, mostly minor, in the first few days because people were not used to taking mechanical directions.

"It was hysterical," according to one foreign resident. "Policemen everywhere were pointing to the lights."

The system — repaired by Czech technicians — now works quite regularly. And most road users obey the red and green signs.

Restoration of the traffic signals is one indication of this city's slow and painful return to normality after nearly four years of absurd and brutal radicalism under the Khmer Rouge regime.

When the Khmer Rouge seized power in April 1975, Phnom Penh had at least 2.5 million inhabitants. Its population was swollen by refugees from the countryside seeking food and an escape from war.

In their first step to creating an egalitarian rural society, the new rulers emptied the capital and other towns.

They forced everyone — the aged, sick and very young as well as healthy adults — to resettle in primitive agricultural communes where food and medicines were in short supply, and execution or death from disease or malnutrition became a regular feature of life.

In the fury of the Khmer Rouge takeover, shops and offices were torn apart and their contents hurled into the streets to rot. The Catholic cath-

edral was razed. The central bank was blown up and paper money left to blow aimlessly around the city.

Many houses were destroyed or badly damaged. Cars were junked and the chassis piled along the sides of streets, where some still stand as a mute reminder of Khmer Rouge rejection of almost everything that makes a modern society, whether in the East, the West or the Third World.

When invading Vietnamese forces and small groups of dissident Kampuchians entered Phnom Penh in January 1979, they found a ghost city.

Today, the capital has at least 500,000 permanent residents — most of whom lived here before 1975 — and probably more than 100,000 transients.

On my first visit for two years, people told me that life had got a little better, or a little less hard.

The city was cleaned up a good deal for the fifth anniversary celebrations on 7 January of the People's Republic of Kampuchea — a communist-led administration that has close ties with Vietnam, Laos and the Soviet bloc and was put in power in place of the Khmer Rouge regime whose chief patron was China.

Mounds of accumulated rubbish were removed and the rat population cut to more tolerable levels. A few buildings were even repainted.

The character of the city, of course, has changed. The former residence of the Australian Ambassador is now occupied by the Soviet Ambassador.

The US Embassy has been taken over by the Fisheries Department and the French Embassy has become

a garrison for armed forces units.

The names of tree-lined boulevards and roads have been changed to erase the memory both of the Khmer Rouge and the various non-communist Governments that preceded it, including that of Prince Norodom Sihanouk. The former royal palace is now a museum.

Deep scars remain on Phnom Penh and its people. But though very poor and frequently living in conditions that would be described as squalid and unacceptable in Australia, they have started to relax and laugh again.

A few days ago, more than 10,000 Kampucheans crowded into the city stadium to watch and cheer wildly at the national soccer finals.

One Sunday afternoon, I watched crowds in a park in front of the royal palace hooting with laughter as Cuban doctors and nurses took turns to ride tame elephants.

In the mornings and evenings, roads are thronged with people going to work on bicycles, motor scooters, rickshaws and even a few cars. There are far more of each than there were two years ago and Mr Keo Chanda, president of the People's Revolutionary Committee of Phnom Penh, in other words the mayor, says he hopes to import a fleet of buses as the nucleus of a public transport system.

The electricity supply is more reliable than it was. But basic city sanitation and the water supply remain rudimentary.

As Kampucheans returned to the capital from the countryside after 1979, they occupied whatever houses and buildings were available and many parts of Phnom Penh still have an air of being peopled by squatters and campers.

Pigs, poultry and vegetables in pots on balconies of apartment buildings, in backyards, or in the street are a common sight.

According to the constitution, Kampuchea is to be run on Marxist-Leninist lines. The work emulation and solidarity hoardings depict a bright socialist State future.

But, partly because socialism was given such a bad name by the Khmer Rouge and partly because the Phnom Penh administration is still very short of resources and trained staff, much of the consumer economy still runs in laissez-faire fashion.

About 60 factories have been reopened in the city and they are all

owned by the State. So are public utilities.

But trade, retailing and most small business, repair, manufacturing and handicraft enterprises are in private hands. Occupants of shops, business premises, market stalls and restaurants pay a monthly rent to the Government. Payment of rent for living areas is also planned, starting next month, followed by charges for electricity and water supply.

Government employees' salaries are to be increased by at least 25 per cent next month. But that will give a middle-rank civil servant a take-home pay of between 200 and 250 riels a month. That is the equivalent of \$A30-38 at the official rate of exchange. It's much less at the black market rate.

Government employees get rations of rice and some other essential consumer items each month at prices much lower than on the free market. But those rations are not enough.

"So we spend nearly all our money on food," one civil servant told me. "Many officials have a second job or have relatives working in the private sector where the money is better."

Most people in Phnom Penh depend on the free market for food and jobs. Cereals, meat, fruit and vegetables are produced in Kampuchea. But many other goods are imported — mainly smuggled by land or sea from foreign countries, particularly Thailand and Singapore.

Kampucheans have gradually improved their lot in the past couple of years by self-help and family enterprise.

Mrs Pok Sopheap, 30, is a typical Phnom Penh resident. A first-year high-school student when the Khmer Rouge seized power, she and members of her family were forced out of the city to a labor farm in the north-east province of Kratie.

She says her mother and father were executed. They were accused of being rich merchants. Her brother, a policeman, and one of her sisters, a telephonist, were also executed for working for the previous anti-communist Government.

But she and her husband, who now works as a chemist in a Government hospital, managed to survive. The flat has electricity but water has to be

carried up three flights of stairs from the ground floor.

They have two boys, aged nine and six, and a three-year-old daughter. They live with her mother-in-law and four unmarried brothers-in-law in a four metre by 15 metre third floor apartment which is divided into three sleeping areas by curtains.

Mrs Sopheap's two boys go to a free Government primary school. Medical treatment at the nearest hospital is also free. Her mother-in-law looks after the daughter.

Mrs Sopheap works seven days a week as a pavement cigarette vendor. She says she earns about 350 riels a month. Her husband gets about 250 riels a month.

She says their combined income is "enough to support our family, but we can't save any money. Life is still difficult but conditions are much better than under the Khmer Rouge."

Although Phnom Penh is bustling and seems relaxed during the day, Kampuchean and Vietnamese guards are on duty outside important buildings and installations.

As in Vietnamese cities, residents are discouraged from talking to foreigners, particularly Westerners.

Internal security police maintain a constant search for guerilla infiltrators, subversives and dissidents. Armed guards in the streets enforce a 9 pm to 6 am curfew.

At night, Phnom Penh becomes a nervous, seige city waiting for a new day

CSO: 4200/659

NATIONWIDE CADRE CONFERENCE DISCUSSES, APPROVES RESOLUTION 33

Vientiane KHAOSAN PATHET LAO in Lao 2 Mar 84 pp A6, 7

[A shorter KPL English version of this item appeared in FBIS Asia and Pacific DAILY REPORT on 6 Mar 84 p I4]

[Text] For 5 days from 25-29 February 1984 in Vientiane Capital, a conference of cadres from all over the country was held to study the joint communique of the three Indochinese countries and Resolution 33 of the LPRP CC political bureau in order to increase the special solidarity and all-round cooperation between Laos, Vietnam, and Kampuchea; at the same time to firmly rely on and cooperate in an all-round manner with the Soviet Union and the fraternal socialist countries.

Comrade Kaysone Phomvihan, LPRP secretary general and chairman, council of ministers, participated as an honored guest at this conference and closely followed and guided things throughout the conference.

Participating in this conference were members of the CC political bureau, the CC secretariat, the vice chairmen of the SPC, the members of the CC, the alternate members of the CC, ministers, chairmen of state commissions, vice ministers, vice chairmen of state commissions, SPC members, representatives of the mass organizations, secretaries of provincial party committees nationwide, a great many high- and mid-level cadres subordinate to the central echelon, the provinces and Vientiane capital.

Comrade Nouhak Phoumsavan, member CC political bureau, first vice chairman of the council of ministers, proposed the spirit and the importance of the LPRC CC political bureau's resolution on increasing the special solidarity and all-round long-term cooperation between Vietnam and Kampuchea while firmly relying on and cooperating in an all-round manner with the USSR and the fraternal socialist countries. This has become a glorious tradition, an objective law and principle and a factor that guaranteed the victory of the revolutionary task in the era of the struggle for national salvation as it has in the socialist construction phase.

The participants in the conference profoundly studied and discussed this and expressed complete unanimity with the CC political bureau's resolution concerning the LPRP's foreign policy, especially the policy of increasing the special

solidarity and all-round cooperation between Laos-Vietnam-Kampuchea while at the same time firmly relying on and cooperating in an all-round manner with the USSR and the fraternal socialist countries. The conference expressed its decision to promote and implement this important resolution to unequalled effect in all localities and sectors.

In the afternoon of 29 February 1984, the conference closed with brilliant success as it heard a summation by Comrade Nouhak Phoumsavan, LPRP CC political bureau member and first vice chairman, council of ministers.

CSO: 4206/106

HAW CHINESE, RESISTANCE PROSPECTS, OPERATIONS IN NORTH DISCUSSED

Bangkok ATHIT KHLET LAP in Thai 11-17 Feb 84 pp 23-25

[Article: "Influence of Minority Groups Covers Roads in Northern Laos"]

[Text] Around 1977, the military chiefs of staff had a great interest in the areas around the roads of Muang Sing, Muang Tha, and Muang Luang Nam Tha, which are towns located in the northwestern part of northern region of Laos that abuts the Yunan region of southern China.

This interest developed after they discovered that fortifications built by Chinese "military engineers" still existed in those road areas. These roads had been built with the cooperation of Laos and China. China considered them to be important strategic roads for transporting Chinese troops down to southern areas.

And surely, if the influence of China had not been obstructed by the daring Vietnamese invasion of Kampuchea--which resulted in the sudden break in Chinese-Lao relations--these roads would have become strategically important in the fullest expansion of Chinese influence toward the south.

Lao Resistance and Its Various Policy Aspects Toward Vietnam

Very recently, a Haw Chinese in Thailand, a former Thai mercenary who became connected with an anti-communist unit in the neighboring area, gave short interviews that appeared on the front pages of some newspapers. He stated that, "from his previous occupation as a Thai mercenary, he had connections and so was invited to volunteer and join a rightist Lao resistance force that is conducting operations with the objectives of expelling the Vietnamese influence from Laos and of vanquishing the communist government of Kaysone Phomvihan. But after joining the Lao resistance, he was sent to march on foot over roads in the northern region of Laos. It is speculated that he used roads through Muang Sing to go up to the Yunan region. There this Haw Chinese received weapons training from Chinese soldiers and also received food supplies, uniforms and personal weapons. He then returned to the Thai frontier once again for an assignment with the Lao resistance force presently active in the Thai-Lao frontier area."

This tidbit of news corresponds exactly with the movements mentioned in an interview with Lt Gen Bounleut Saycocie, the most influential Lao resistance leader in the Pakse area. His troops have persuaded a large number of Lao to volunteer and become partisans. These people have been sent to travel on foot from Laos and head for the southern part of China. And there is a well-known agreement that, "whoever carries documentation from any anti-Vietnamese movement in Indochina will receive weapons training, arms and uniforms, and will be sent back to drive out the Vietnamese influence from Indochina."

However, what makes Thai officials interested is that, "this Haw Chinese also mentioned to provincial authorities that there are also some Thai groups receiving military training from the Chinese, who do not have the objective of fighting either Vietnamese communists or Lao groups who are anti-Vietnamese but still believe in communist doctrine."

These news reports are increasing tremendously the surveillance of the spread of Chinese influence in the Muang Sing and Muang Luang Nam Tha areas.

Anti-Vietnamese Movements

Lately, the pattern of Chinese movements has changed greatly. The full-scale anti-Vietnamese policy made news reports from security channels announce in the last part of 1981 that Chinese intentions were to come in to support a Thai volunteer force with war materiel and nearly every kind of technical assistance.

Some news reports stated that Chinese specialists were even advising on anti-Vietnamese warfare techniques some volunteer border units that will be sent to the front lines along the Thai-Kampuchean border.

In addition, there was news concerning the perseverance of China in selling some kinds of important arms at special prices to the Thai side, not to mention M-16 bullets, AK-47 rifles or even artillery pieces and anti-tank rockets. Very recently, Chinese officials even were still trying to make attractive offers in arranging the sale of modern airplanes like the F-16 fighters that the Thais wanted to buy from the United States. China proposed its different but comparably capable planes which it was ready to sell at a price many times lower than that for F-16's.

One time a Thai inspection team traveled to check out [the possibilities], but the Thai military did not agree with the purchase arrangement this time due to certain foreign policy considerations.

The giving of assistance and the Chinese desire to give assistance to "all anti-Vietnamese and anti-Soviet groups" in this region were transmitted directly, not just to the Thai and ASEAN governments.

Financial support, war materiel, technical assistance and much more was [also sent] to all anti-Vietnamese resistance movements in Laos, Vietnam and Kampuchea.

The Lao resistance movement that we can say had almost "died out" once again has revived with the substantial Chinese assistance, and this time with all the financial assistance has even drawn in to participate with former C.I.A. agents in Thailand. A list of formerly powerful people in Laos has been revised, and those who were formerly with "the corrupt resistance" have been crossed off. Lt Gen Bounleut Saycocie has gathered his people and coordinated with Lao people in Australia. Recently, they started attempts to seize some strategic routes in Pakse and many roads in the southern part of Vientiane.

The Lao resistance movement itself likewise acknowledges that, with the same Chinese assistance it receives, the Lao Socialist Party is still actively resisting the Vietnamese in the northern part of Laos, in the Sayaboury Province area. Also with the same kind of assistance, the forces of Kong Le and Gen Vang Pao have been revived at many strategic points in the north.

Even in Vietnam, the hill tribe movement named "FURO" is still actively agitating here and there with Chinese assistance.

The Roads of Muang Sing

The roads that the Chinese military engineers have been clearing for so long now have become important strategic passages linking China with influential groups in the south. "Direct" assistance is being sent over these roads while "indirect" assistance might officially pass through Thai territory.

The areas around these roads are under the influence of certain minority groups that are active in the northern parts of Thailand and Laos. And not long ago, there was a substantial increase in the influence of the Burmese Communist Party over the minority groups in these areas. Security officials say only that, "by using these roads, the smoothness of support operations has increased many times over that in the past."

Relating this with the "facts" that the Haw Chinese belonging to the Lao resistance revealed to provincial authorities, many groups believe that the importance of the roads in these areas will increase continuously.

And surely, each time that a road becomes strategic, it will usher in "a struggle for possession." After the Haw Chinese who discovered the weapons training in that area returned, it was speculated that "war in the northern part of Laos" soon would break out again and continue until the conflict in Indochina is over. Then the smoke of war in that area might vanish.

12587

CSO: 4207/92

COMMENTARY NOTES WASTE OF RESOURCES, DEMANDS REFORM

Vientiane HENG NGAN in Lao 1-5 Jan 84 pp 1, 4

['Commentary' Column: "What Is the Concept of Savings?"]

[Text] In the process of building a new socialist life in our country, the party and government have been carrying out a socialist economic construction policy independently and are their own masters. They have been constructing and reviving the national economy quickly and firmly, expanding state and collective trade networks widely down to the base level. The government supplies a great deal of goods and production equipment and tools for working people all over the country, including goods produced domestically by our Lao workers and working people, those that come from the assistance and exchange of goods from fraternal socialist countries, and also goods ordered from abroad. Because economic management can be either extreme left or right, this new socialist economic management principle is one that everyone must study and practice and learn on the job. Another thing is that because the cadres who are responsible for budget management are unaware of collective mastery and are irresponsible regarding the party, government, and working people, this results in damage to the state and collective economy in some places causing loss of material quality, waste, etc., where these must be improved immediately.

True management of socialist property is the protection and proper use of materials and money.

The principle of collective ownership has an effective and appropriate planning. Thus, the word "save" does not mean hoarding or only being very thrifty without having any work to show for it, or only to wait for the order to disburse without a set schedule so that the materials lose their quality before being disbursed. This is all at variance with the principles of saving.

Therefore, from now on trade unions of all levels must work in cooperation with the administrative committees at their level and together become driving forces mobilizing cadres and government employees to correctly and effectively take part in socialist property management, especially in the [matter] of the distribution of different materials, goods, tools, and equipment. They must attentively carry out the circulation and

distribution plan so that they can reach consumers on time, improve the material storage system, use all the raw materials and ready-made materials and ensure against waste of materials and property by the party and collective items based on inspection, and firmly grasp the capacity and the need for those factors in localities or production bases. This is to counter and limit such things as "there is a lot left over in this place but not enough in other places," or "they are not sent where they are needed and a lot are sent where there is no need," etc.

In order to achieve this, first of all we must promote a consciousness of socialist collective ownership and determinedly encourage both physical and mental work for workers and government employees who have now, creative, and effective ideas. This is one way to take part in saving the materials and money of the government. They must resolutely resist the ideology and actions of greedily and illegally taking the materials and money of the state and collective owners, constant reliance on organizations and the higher echelons, and irresponsibility for specialized tasks. They must be good citizens, and resist all phenomena that are not true to the socialist economy.

9884

CSO: 4206/96

BO KEO PROVINCE POPULATION, SECURITY, CSSR AID NOTED

Vientiane NOUM LAO in Lao 15-30 Jan 84 p 16

[Article by Viset Savengsuksa: "Houai Sai 16 January 1984"]

[Excerpts] The northern land we are discussing now is Bo Keo Province which is the youngest province that appeared on the map of our country in mid-1983. After the founding of the new regime this province was part of Louang Namtha Province. Although its area is narrow with only 3 districts (Houai Sai, Ton Pheung, and Meung), and it has only 49,000 people, Bo Keo Province is one of the outpost provinces of the country that has a most significant strategic significance because its border adjoins Thailand, Burma, and China, and in particular it is an enclave for different ethnic groups.

During the eight-to nine-month period that Bo Keo Province has been established administrative committees of all levels have been set up and greatly improved. The standard of living of the people has been gradually improved under the leadership of the party and government in constructing the new socioeconomy. Many localities throughout the province were resurveyed for the purpose of turning this fertile land into a bountiful area for the future. Plans for educational, public health, and sociocultural development and other types of construction have quickly appeared and have come true with the assistance of the Czech government. Geologists of both countries have joined in an efficient survey, management and excavation of previous stone mines. They were able to gradually advance against the illegal excavating of precious stones by those who are not aware of the consequences.

However, there still exists a dark corner in this province. The enemies who are the leading circles where Beijing is the master that consider Bo Keo Province to be their "life and death" area. Thus, they put all of their efforts into strangling this young province to death. However, their dream has not come true, and it absolutely never will!

Every time we stop by this northern land we cannot help thinking of the statement of our party and government leaders that "although we are poor and our clothes are torn, we sit on a treasure trove." This is most true!

Whether Bo Keo Province will be a strong outpost or not, and peaceful and prosperous or not depends on the decision of you and me, the future young owners.

9884

CSO: 4206/96

LAO OPERATIONS AT DANANG PORT NOTED

Vientiane NOUM LAO in Lao 15-30 Jan 84 pp 7, 15

[Article by Piti: "Strong Arms Of The Party"]

[Excerpts] Danang! Once I roamed all over it for half a month. Danang is the name of an important district of Quang Nam Province. It has two big ports which the SRV party and government have let the LPDR use according to a special cooperation agreement between Laos and Vietnam.

For Laos the export and exchange of goods and material assistance and the goods that Laos buys from fraternal socialist countries such as construction equipment is almost all done via Danang Port. In Danang Port there is an office of the Lao delegation (a section in the Ministry of Material and Technical Supply) that is responsible for and acts as the representative of those who work in cooperation with Vietnam and the USSR.

Besides letting us use the port, the Vietnamese party and government also let the Lao borrow over 1,000 hectares of land as storage for equipment. They also sent many experts in many areas as advisors and many hundreds of people to help in labor.

Comrade Vongpadit, secretary of the LPRYU unit said, "99 percent of the Lao workers in Danang Port are young." They are the youth whom Secretary General Kaysone Phomvihane assessed as the "strong arms of the party."

[At one time] the youth volunteered for three solidarity mass organizations in unity with the administrative committee based on understanding the important duty and deep patriotism. Thus, all work at that time was carried out above the expected level. This was the statement of Comrade Lolihong, chief of the Office of the Lao delegation in answer to my direct question.

In only the 11 months the 1983 plan has been carried out, they have been able to exceed the plan by 40 percent. In talking about last year the independence medal second class hanging on the wall is the answer and adequate confirmation.

Both Vietnam and the USSR have been giving especially good cooperation. Besides the primary work over there, the Vietnamese, Russian, and English languages are organized and studied systematically, and educational field trips are arranged when suitable.

MCA OFFICIAL URGES CHINESE TO ADOPT CORRECT POLITICAL ATTITUDE

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 13 Dec 83 p 8

[Article: "Jao Chin Chien Declares That If Chinese Community Has Incorrect Political Attitude, Outlook for Chinese Will Not Be Optimistic"]

[Text] Jao Chin Chien, Secretary of the (Ri Li Wu) District Organization of the Malaysian Chinese Association [MCA], stated that if, in view of the present political situation, today's Chinese community continues to maintain a boisterous or rash attitude, the future of the Chinese people cannot be optimistic.

He said, "Participating in political work is a wise choice, but one should think things over carefully before joining a political party. Jao also acknowledged that if the overseas Chinese continue to remain in the rotten little framework of individualism, are disgruntled, or only sit in cafes and discuss political matters, such as an attitude of "fighting only on paper" will not benefit the Chinese community.

Jao Chin Chien said those things yesterday evening at a ceremony for the instructional class of new party members of the subordinate chapters of the (Ri Li Wu) regional branch of the MCA. Huang Tzu Hua, a member of the administrative council, presided over the opening ceremony. The participants included Liao Lai Sheng, vice chairman of the (Ri Li Wu) regional branch, and other officials, who were pleasant and enthusiastic.

Jao continued, "Participating in a Malaysian Chinese political party is a correct choice. At the minimum, the MCA is a political party which truly represents the Chinese people. Before our country gained its independence the MCA was already serving the Chinese people, which is a fact with a universal appeal."

At the ceremony, he also assailed some party members who participate in political parties only to enhance their reputations or to associate with and curry the favor of party leaders, and said that we do not welcome that kind of party member.

Jao also acknowledged that only if the political, cultural and sports aspects of an organization complement one another can it develop strongly. He appealed

for the new and old party members to observe the party's regulations, work together for the party and society and, along with the masses, make contributions.

Huang Tzu Hua, a member of the administrative council, said in a speech that in the 1980's the problem and responsibilities of the MCA will be extremely great, but it cannot ignore those responsibilities. That is something about which members of the MCA must feel no qualms and be unashamed.

Huang Tzu Hua also expressed that the new party members would always, regardless of what task they are responsible for, soberly and calmly do their work while at the same time improving themselves. He said that that is an important significance of the instructional class we are sponsoring.

Party central committee representatives Ch'en Kuang Ts'ai and Ch'en Szu Yuan also delivered speeches at the ceremony. Their remarks were penetrating and were of considerable benefit to party members.

5616

CSO: 4205/34

MALAYSIA

OPPOSITION TO PROPOSED APPORTIONMENT OF ELECTORAL DISTRICTS

Malaysian Youth Solidarity Movement

Selangor KIN KWOK DAILY NEWS in Chinese 16 Jan 84 p 2

[Text] The Malaysian Youth Solidarity Movement [MYSM] expressed shock and regret over the error of the Elections Commission in apportioning the electoral districts for the House of Representatives and the state legislative assemblies. It would launch a "1 million signatures" movement to indicate its strong opposition to this plan of constituency apportionment.

At the same time, the MYSM requested the Elections Commission to uphold the spirit of the constitution and revise the electoral districts in order to maintain the true "one man, one vote" spirit of our democratic and independent nation.

In a news conference held today after opening a conference attended by its Central Committee and state leaders, MYSM President Tee Ann Chuan said the Elections Commission's review of the delimitation of electoral districts is a matter of great significance, because this would affect the political interests of Malaysian Chinese in the coming 20 years.

Mr Tee said: "We strongly disagree to the commission's unfair style of work. It says that there are more than 5.5 million voters throughout the country or an average of 40,000 voters per electoral district.

"We discover that in constituencies dominated by Chinese inhabitants, the number of Chinese voters is much higher, in excess of 50,000 voters per electoral district. Furthermore, there are no less than 26 electoral districts with more than 50,000 voters each; 23 of them are known as Chinese electoral districts. On the other hand, there are about 50 Malay electoral districts, each with less than 30,000 voters."

Mr Tee explained that because of such apportionment, the number of ethnic Chinese members of parliament will become smaller and smaller with the passing of time.

After deliberating on the matter, the MYSM resolved to submit a proposal pointing out several serious errors of the apportionment plan:

1. Unfair Number of Electoral Districts for Parliament and State Assemblies
(See chart)

The MYSM discovered that in this division of constituencies, the parliamentary seats apportioned to Trengganu, Pahang and Kelantan, where Malays congregate, are high in number, whereas those apportioned to Selangor, the Federal Territory and Penang, which are inhabited mostly by non-Malays, are relatively low.

On the basis of a fair apportionment of parliamentary seats in direct proportion to the number of voters, Trengganu should qualify for 6 seats only, instead of 8 according to the revised plan; Pahang should get 8 instead of 10; and Kelantan should get 11 instead of 13 seats. In contrast, Selangor should be apportioned 16 parliamentary seats, not just 14; Federal Territory should get 10, not 7; and Penang should get 12, not 11, seats.

2. Wide Difference in Number of Voters in Various Districts.

The MYSM also discovered that after this revision of constituencies, among the 26 mammoth electoral districts populated with more than 50,000 voters, 10 are new electoral districts. Among these 10, 3 are Malay dominated, and the other 7 are made up of non-Malays.

As for small electoral districts with less than 35,000 voters, there are more than 50 of them, of which only 3 are inhabited by non-Malays. For example, 1 vote in Hulu Trengganu (total electorate: 26,699) enjoys the same right to political representation as 3 votes in Petaling Jaya (total electorate: 67,846). Such a wide difference spoils the true spirit of the "one person, one vote" principle and is disadvantageous to non-Malay nationals.

In addition, the MYSM also proposed that the time limit for the public to submit opinions be extended from 1 month to 3 or 6 months to give voters ample time to study the delineation of electoral districts and other details.

At the same time, Tee Ann Chuan pointed out that the revised apportionment of electoral districts is drawing the attention of the broad masses of the Chinese, people, who feel that their rights and interests in various fields are being curtailed each day. To arouse the interest of the Chinese compatriots in the matter, the MYSM has printed 200,000 copies of its report opposing this unreasonable delimitation for distribution throughout the land.

He said MYSM's 200,000 members will spread out to various cities, and each will collect 5 signatures to reach the target of 1,000,000 signatures by 28 January. Then, on 31 January, these 1,000,000 signatures, along with its memorandum, will be submitted to the Elections Commission, and the copies to the ruling parties, such as the MCA and the Malaysian People's Movement [GERAKAN], for deliberation by the cabinet.

Mr Tee said he could not be sure that the Elections Commission will follow the MYSM's suggestion, but the "1 million signatures" movement has several implications:

1. We are not satisfied with the new apportionment made by the Elections Commission, for it contains racial overtones and benefits a certain political party;
2. We have aroused the Chinese attention to this problem; and
3. We want to let the government know that if it should adopt a certain step harmful to the ethnic Chinese in the future, the Chinese people, especially the MYSM, will launch a mass movement.

Asked whether this movement would conflict with the demands of other Chinese political parties, MYSM President Tee Ann Chuan stressed: "It is a common goal of the parties to increase the number of electoral districts; only their modes of handling the problem are different. There will be no conflict or dispute over the claiming of credit by the parties concerned. All we want is for the government to understand that this is a question which the people follow with great interest."

In conclusion, the MYSM called on all ethnic Chinese to support the "1 million signatures" movement wholeheartedly with the view to safeguarding their national interests.

19 Chinese Associations, Parties

Selangor KIN KWOK DAILY NEWS in Chinese 22 Jan 84 p 1

[Text] In a combined press conference today, representatives of 19 Chinese mass organizations and political parties unanimously expressed strong opposition to the new electoral district reapportionment plan recently proclaimed by the Elections Commission. In particular, they said, the delimitation of 32 parliamentary constituencies and 2 state assembly electoral districts would have far-reaching effects on Chinese political rights in the future.

Also, they hoped the leaders of Chinese organizations in various states would mobilize voters to file petitions to the Elections Commission to voice their opposition.

At the press conference, the organizers also issued a study report on the 1984 national and state electoral district apportionment. Chong Ching Siew, JP, chairman of the Study Report Committee, said that its members had made an in-depth research concerning the electoral district reapportionment based on available documents and discussed ways to deal with the situation to be presented to the Elections Commission.

Mr Chong pointed out that a joint committee meeting representing Chinese organizations and parties passed the following resolutions on 19 January:

1. Mobilize members affiliated with qualified voters in the electoral districts concerned to gather 100 voters' signatures for an opposing opinion to be submitted to the Elections Commission.

Appendix: Total Number of Voters and Parliamentary Constituencies for Various States

(A reasonable number of voters for each constituency should be about 40,000.)

State	Total Number of Voters	Original Number of Parliamentary Constituencies	Number of Constituencies After New Apportionment	Reasonable Number of Parliamentary Constituencies
Johore	758,816	16	18	19
Malacca	219,929	4	5	6
Negeri Sembilan	263,083	6	7	7
Selangor	650,076	11	14	16
Federal Territory	408,568	5	7	10
Perak	854,582	21	23	21
Penang	464,036	9	11	12
Kedah	539,999	13	14	14
Perlis	79,741	2	2	2
Kelantan	419,699	12	13	11
Trengganu	242,816	7	8	6
Pahang	328,163	8	10	8
Total	5,229,508	114	132	131

2. Submit a petition to the Elections Commission in the name of 19 units, appealing for a revision of the electoral district apportionment.

3. Get in touch with leading Chinese organizations in various states and ask them to push forward similar movements in their respective regions. Mr Chong said that we want to make a solemn appeal to ethnic Chinese voters all over the country to make sure they continue to enjoy their constitutional voters' rights and that they grasp this opportunity which comes but once every 8 to 10 years by submitting their opposition to the reapportionment plan. The Chinese were reminded that the deadline for these actions is 3 February.

Mr Chong said that the Study Report Committee has provided the participating Chinese organizations and parties with a sample form of their written opinions to be submitted to the proper authorities concerning the disputed 32 parliamentary constituencies and 2 state assembly electoral districts. Identical sample forms were also sent to Chinese Unions and chambers of commerce in the districts concerned, and they were similarly urged to submit their opposition to the authorities.

The apportionment of new electoral districts has far-reaching effects on the political representation of ethnic Chinese voters. Therefore, the Study Committee maintained that voters living within those 32 parliamentary and 2 state assembly districts should submit their opposition before 3 February. In particular, Mr Chong urged ethnic Chinese voters residing in "problematic" electoral districts in Selangor, the Federal Territory and others to take the initiative of visiting the Chinese Union headquarters to pick up sample written opinion forms, sign their names and mail them to the Elections Commission.

Members of the Study Committee include the following: Selangor Chinese Union, Malaysian Federation of Hokkian Associations, Malaysian Federation of Kwangtung Associations, Malaysian Federation of Chiungchow Associations, Malaysian Federation of Teochiu Associations, Malaysian Kwangsi Association, Malaysian Foochow Association, Malaysian Chiaying Association, Malaysian Eng Choon Association, Malaysian Federation of Chinese Teachers and Board of Trustees, Malayan Nanyang University Alumni Association, Malaysian Federation of Taiwan Returned Students Associations, Selangor Chinese Chamber of Commerce, Selangor Federation of Chinese Business Associations, Selangor Chinese Women's Chengbu Athletic Association, Malaysian Youth Solidarity Movement, MCA Youth Research Bureau and the central publicity and youth research bureaus of the Malaysian People's Movement.

Kin Kwok's Comment

Selangor KIN KWOK DAILY NEWS in Chinese 18 Jan 84 p 2

[Commentary]

[Text] The Chinese community has paid close attention to the announced government proposal on the apportionment of parliamentary and state assembly

electoral districts. Many Chinese have expressed their opinions one after another, pointing out that the delimitation plan contains errors and racial prejudices whose aftermath would be disadvantageous to ethnic Chinese citizens, adversely affecting their future political rights. Therefore, besides voicing their dissatisfaction and opposition, the Chinese should take appropriate action to reflect the true opinions of the Chinese community. Otherwise, teams of dissenting views published in newspapers or aired in meetings would not resolve the controversy, because the authorities do not read Chinese newspapers and therefore do not know or understand our true thinking and aspirations. They probably think that the opposition comes from a minor few in the Chinese community who oppose for opposition's sake, and that would be our own fault.

To let the authorities thoroughly and truly understand the Chinese community's dissatisfaction with the electoral district apportionment proposal, and to point out that this proposal contains errors, we must launch a mass signature movement and submit a memorandum to the Elections Commission to get across the uniform opinion of our 4,000,000 ethnic Chinese citizens.

In proportion to population, particularly to racial population, this apportionment proposal contains big differences. In Chinese-populated electoral districts, such as the Federal Territory of Kuala Lumpur, Selangor states Penang and a number of urban areas in other states, the number of voters in each district exceeds 50,000 people. However, in outlying regions, such as Kelantan state and Trengganu state, where the Malays congregate, the number of voters in each district is less than 30,000 people; nevertheless, these states have more electoral districts proportionately than those states inhabited by Chinese voters. In other words, according to this apportionment proposal, the number of parliamentary seats will be increased by 18--from the original 114 to 132 seats; the number of state assembly seats will soar from 312 to 351, up by 39 seats. But these additional seats mostly belong to Malay electoral districts. It is clear that in due course there will be more Malay members sitting in parliament and the state assemblies, while ethnic Chinese members will become proportionately smaller in number. By racial proportion, this is most unfair. In a democratic country, the government is decided upon by the "one man, one vote" system, and the apportionment proposal shows a serious deviation on this score, because it is entirely based on racial rights and interests, which is most unfair to ethnic Chinese citizens. Already the Chinese political position today is getting less and less significant. If the next general election is based on this electoral district apportionment, we can definitely say that the rights and interests of the Chinese will become tragic.

Such being the case, all of us clearly see and understand that this unfair and unreasonable apportionment proposal will have a disastrous effect on the Chinese political rights in the days to come. Now that the Malaysian Youth Solidarity Movement has launched a "1 million signatures" movement to be submitted, along with its memorandum, to the Elections Commission, with copies sent to the ruling parties, on 31 January, we think that this is a most concrete action. For the sake of our future political rights and to rescue our coming generations from losing their foothold in Malaysia, we hope that we all banish our differences in opinion and, under a common will, support this signature movement by way of truly expressing our dissatisfaction and our protest over this electoral district apportionment.

9300

CSO: 4205/42

MAK HON KAM ADVOCATES POLITICAL CLOUT FOR ETHNIC CHINESE

Selangor KIN KWOK DAILY NEWS in Chinese 5 Dec 83 p 8

[Text] Datuk Mak Hon Kam, vice president of the Malaysian Chinese Association [MCA], reaffirmed that in multinational Malaysia, no race is willing to be subjected to oppression and appealed to the Chinese public to give the party political clout in order to safeguard their legitimately fair and reasonable interests.

He was speaking at a huge banquet hosted by the MCA at Hualian Gardens last night to congratulate Datuk Lee Kim Sai, who had been appointed a deputy minister in the Prime Minister's Department.

He said that due to their simple life, our Malay compatriots can easily talk about solidarity through their mosque organizations. On the other hand, the Chinese, with their numerous clannish guilds and organizations, are relatively complicated, and the best way for them to discuss unity is through a mass gathering like this one, during which we can instill political thinking and awareness into the minds of the Chinese public.

He continued that the majority of Chinese are not punctual people, yet when it is announced that horse racing starts at exactly 2 pm, they will be there on time. "It's a pity that a racetrack is not a suitable place to talk politics," he said.

Datuk Mak, who is minister of labor and manpower, posed the question "how is the Chinese political position after 26 years of Malaysian independence?" The answer, he said, is clear to political workers. Is it the fate of the Chinese people to drag out an ignoble existence, instead of protecting their national prestige? Personal wealth and glory means little compared to national benefit.

Minister Mak said when we talke politics, we must have political clout. If the Chinese do not give the MCA political capital, how can the party fight for their interests? The MCA hopes to get the wholehearted support of the entire Chinese people so it can keep pace with the United Malays National Organization [UMNO] in fighting for Chinese interests in the National Front spirit of mutual goodwill and harmony.

He also called on the Chinese to pay more attention to political trends, join the MCA and together strive for their due rights. In Malaysia, no race is willing to be subjected to oppression any more than the culture of a nationality can be wiped out. "If it can bring happiness to our next generation, the political struggle we are engaged in shall not be in vain," he stressed.

Earlier, Deputy Minister Datuk Lee Kim Sai explained that his main job at the Prime Minister's Department involves the Bureau of National Unity and Bureau of Public Complaints. He did not deny that several "black sheep" among the numerous government workers have committed irregularities which have caused much trouble to ethnic-Chinese business companies.

Datuk Lee also touched upon the question of constitutional amendments by Parliament and asked the Chinese public to assume a calm attitude in watching its development. He hoped that the matter could be satisfactorily resolved in the near future so that our country could proceed with its march toward prosperity.

Tan Khoo Chuan, MCA deputy president, said the constitutional amendment bill had undoubtedly affected the people and he hoped that the Chinese would exercise sharper alertness in viewing this problem.

He said that a nationwide political stability would entice more foreign capitalists to invest in our country, instead of causing a flight of capital. "The MCA is reviewing our political situation in our fight for ethnic-Chinese interests, unlike other parties which oppose for opposition's sake. If the Chinese nationals are faced with a common problem, such as the question of signboard advertising, we will join hands and oppose and fight on the basis of reasonableness," he explained.

Tan also called on the Chinese to calmly help out the government and the rulers in their controversy over the constitutional amendment problem and to hope for a speedy settlement.

9300

CSO: 4205/35

ASEAN SAID TO BECOME INCREASINGLY STRONGER

Selangor KIN KWOK DAILY NEWS in Chinese 18 Dec 83 p 2

[Article by Lan Yu [3448 4556]: "ASEAN's Ranks Becoming Increasingly Stronger"]

[Text] On 23 February of next year Brunei will formally declare its separation from England, the mother country, and the formation of an independent nation. More than 20 days before its independence, on 7 January, Brunei will also announce that it will join ASEAN and become its sixth member nation.

Prior to that, when visiting our country the president of Papua New Guinea declared that Papua New Guinea was considering joining ASEAN.

That shows that ASEAN is being taken more and more seriously by the nations of the world, and also shows that ASEAN is occupying an increasingly more solid position on the international scene.

When the ASEAN organization was formed 16 year ago it was energetically assailed by certain nations, especially Western nations, which deemed the formation of the ASEAN organization as hindering security in the region and hindering its development. Naturally, those opposing nations were unwilling to see their interests in our region harmed or to be prevented from doing as they wished in the region. Reality has proved the important role the ASEAN organization has played with regard to international politics, culture, and education and social welfare during the past 16 years, especially the great accomplishments it has made in protecting the region's peace and security. It has also proved that the original concerns of the opposing nations, which had ulterior motives, were groundless, and that, on the contrary, it has already made important contributions toward protecting the regions's political stability and social security, and toward economic development.

ASEAN's clear stands, voice of justice, defense of truth and support of fairness have won the world's goodwill and it has the respect and support of the nations which have a sense of justice. Therefore, more and more of its friends are joining the ASEAN organization and it has become the ultimate force for protecting the regions's freedom, peace, and security.

When Brunei separates from England and declares its independence next year it, of course, must seek an organization in which it has full confidence to serve as its cooperative partner, in order to protect its own interests and conduct its development and construction as an independent nation.

Brunei is a richly endowed country whose principal products are petroleum and liquified natural gas. Those resources may attract the interest of some ill-intentioned countries which hope to cause trouble in our region so that they can fish in troubled waters and plunder Brunei's natural resources. Therefore, before Brunei becomes independent it must have an organization which can protect it but not have any designs to serve as its friendly partner in national development. Therefore, the ASEAN organization is the best cooperative group.

Although ASEAN is an organization which maintains and defends the region's peace and security, it definitely is not a military alliance. With regard to the five nations' military strength, they do not have sufficient troops to resist armed aggression by a foreign power. However, ASEAN has an irresistible voice of justice and a strong spirit of defending its rights and interests. Therefore, it is capable of obtaining the aid of the just nations of the world.

Although ASEAN is made up of five nations with dissimilar systems of government, those five nations refrain from intervening in one another's internal politics or violating one another's sovereignty. But they are unanimous with regard to defending the region's peace and security. Thus there are some differences between the ASEAN organization and other international organizations.

After Brunei's entry as a new member nation, ASEAN's lineup will become increasingly strong and its reputation will become increasingly great.

5616

CSO: 4205/34

MALAYSIAN CHINESE POPULATION GROWTH RATE SAID TO DECLINE

Selangor KIN KWOK DAILY NEWS in Chinese 16 Dec 83 p 2

[Article by Lan Yu [3448 4556]: "Chinese Ethnic Population Declines"]

[Text] The 1980 population census report has finally been made public. It is the second population census report, the first being that of 1970. It will show the increase or decrease rates of our country's ethnic groups during the past 10 years, and will show the rate of population increase during the past 10 years of our country's promotion of family planning. Therefore, the 1980 population census report will also be an important basis and guide with regard to whether or not our country should control its population and to national development and construction.

From that report we can clearly see that during the past 10 years our country's population increased 2,930,600 and reached a total of 13,742,200. The average annual rate of population increase was more than 2 percent. That is not much lower than the population growth rates of other countries, but in view of our country's geographical circumstances and resources, it does not amount to much.

Although the report shows that our country's population growth rate has increased year after year, in another respect it shows that our country's population growth rate has not been balanced. In the peninsula, the Malay ethnic population's share of the total population increased from 52.7 percent in 1970 to 55.3 percent in 1980. The Chinese ethnic population's share fell from 35.8 to 33.8 percent during the 10 years. The Indian ethnic population's share fell from 10.7 percent to 10.2 percent.

In Sabah and Sarawak the aborigine and Malay ethnic population ratios especially increased. On the other hand, the ratios of the Chinese ethnic population in those two states, like that on the peninsula, fell, respectively, 5.1 percent and .6 percent.

According to data provided by the report, during the past 10 years the rate of increase of the Malay ethnic group has always led the other ethnic groups. On the peninsula, the Malay ethnic population increased 2.7 percent, and in Sarawak it increased 3.2 percent. The Chinese ethnic population, which on the peninsula increased barely 1.6 percent, in Sabah also increased only 1.2

percent. Similarly, the Indian ethnic population, which increased only 1.8 percent on the peninsula, in Sabah decreased 2.9 percent.

According to that population census report, the proportional distribution of our country's population is as follows: Malays, more than 7.4 million; Chinese, more than 4.44 million; and Indians, a little more than 1.2 million.

Based on the current rates of population growth or decline of each ethnic population, after another 10 years it is probable that the disparity between the proportions of the ethnic groups will be even greater.

During the past 10 years, except for the Malay ethnic population, whose birth rate rose in a straight line, did the birth rates of the other ethnic populations gradually decline? Clearly, that proves that family planning carried out by our country has had an effect on the Chinese and Indian ethnic populations. The Malay ethnic group was in no way affected; on the contrary, it is capable of being stimulated by even higher birth rates, because of the tax deductions for children and various other obvious aspects.

From the point of view of the national interest, the social structure, and the political, economic, cultural-educational, and other problems now being faced by our country's Chinese population, the matter of birth control by Chinese is worth deep thought and consideration by knowledgeable people.

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CSO: 4205/34

PALM OIL MARKET IN 1983 REVIEWED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 18 Dec 83 p 2

[Article by Mou Chin Hsin [4924 6651 2450]: "Reviewing the Past Year's Palm Oil Market"]

[Text] How would one describe this year's palm oil market?

If one would hang up a chart showing the undulating curve of palm oil prices in commodity trading at Kula Lumpur during the past year it would look very much like a gigantic python with its head up and its tongue out. During the first half of the year it remained level at about 800 ringgit; then, as if there were a sudden clap of thunder, in August it suddenly began to rise, almost in a straight line, reaching the level of 1,400 ringgit by the end of October. Then there appeared to be a softening, but in fact that was only a period of gathering strength. In December the pace quickened, and the forward price for 16 January of next year broke through the 1,450 ringgit barrier and set a new record. Thus there took from the crown of that gigantic python, which proudly and disdainfully looked forward to the approaching year 1984 and adopted a pose of being ready for a fight.

In the midst of the upward surge and turbulent roaring of breakers of the palm oil price during the past 6 months there was a dangerous whirlwind. People who participate in the mortal combat of the futures market, except for those who met or missed their goals in the silver market, were about to find a stimulation even greater than that of a celestial gambling house, where rises and falls of 30 to 40 ringgit a day were common. However, as for the people who took advantage of the safe harbor of "hedging" in commodity trading, they were overjoyed.

Economists say that prices result from all kinds of mutually conflicting and assisting market factors and conditions, and are resolutions of contradictions between supply and demand. Thus the turnaround during the past 6 months of this year was due to an abrupt shortfall in supply. That was true not only with regard to palm oil but to the supply of all other kinds of vegetable oil in the world. Otherwise, the affair would not have become so clamorous.

At the beginning of this year the FAO forecast for this year a total output for all kinds of vegetable oil of 64 million tons, a 6 percent increase over

last year. The estimated rate of increase for palm oil plus kernel oil was 10 percent and output was estimated at 79 million tons. The production of palm oil's strongest competitor, soybean oil, however, was estimated at 14.8 million tons, an increase of 14 percent over last year. Those estimates were evidently extremely soft (experts call them "bearish news"), for 1982 was itself a bumper crop year; soybean oil and palm oil production had broken records, so if there were yet another record breaking harvest there could also be brought about a record breaking tumble in vegetable oil prices. That kind of pessimistic "expected to fall, not to rise" outlook, added to last year's surplus, created a kind of repressive situation. Even in February, traditionally the time of highest prices, the prices did not change things. On the contrary, in comparison to January they fell 40 ringgit, down to 750 ringgit.

The foremost factor in changing the situation was the U.S. Government, with its PIK program to encourage farmers to reduce production. Its goals are to restore a balance between supply and demand and lighten the government's burden of funds tied up in storage. That step was, in fact, an unavoidable measure, like "the warlord unbuckling his armor." Who knows whether what followed were acts of God, or whether they were punishments or "acts of grace," which sent droughts and heat waves to many regions of the world, first of all to the Philippines and then to the United States. A whole series of "bullish news" caused coconut oil, palm kernel oil (coconut oil is its closet substitute), and soybean oil to behave as if they had encountered a tornado blowing in the heavens. That happened in June and July. But the price of palm oil was only slightly stronger. However, people were still confident that the large output of the last half of last year would repeat itself (the duck is the first to know when the river is warming in the spring). Foreign businessmen who had copious information about the market were already quietly purchasing large quantities of palm oil, anticipating the coming tempest in palm oil prices. After that, there was news that the palm oil output did not increase but declined, that our country's output would amount to only 3 million tons, 15 percent lower than last year. That simply was adding oil to the fire, a great, wild prairie fire that could not be brought under control. Many commodity traders then said, "That's high enough, it's time to sell."

However, there followed one record price after another, which caused the sellers to open their eyes and stick out their tongues. As a result, hard-earned capital met with misfortune.

At present, the palm oil price is still one of the strongest vegetable oil prices, so it has caused soybean oil to fall back from 36 cents a pound to the time when it was 26 cents a pound. It is still steadily advancing, and has doubled in comparison to its lowest point. Compared to the devastated situation at the beginning of the year, the playful atmosphere of the divine forces at the end of the year was truly an inconceivable result.

At present, with regard to the palm oil market everyone is paying close attention to the coming situation. The main focus is on the United States and

Malaysia, the two largest exporters of vegetable oil. The electronic computers of the intelligence researchers are no doubt in constant operation every day.

What will next year be like? At least with regard to the first 3 months, it will be a matter of "the surplus not yet declining!" Only one thing is for certain: next year consumers will be unable to absorb the oil market at their discretion.

Nevertheless, there is a very happy observation. Pa Ha [phonetic] said, "I don't know how the white cloud (representing the price of palm oil) could have by itself gained such speed and moved in that direction. It only feels one force and feels that that is the direction in which it should go; but heaven knows the reasons for everything and the flowery designs resulting from such movement."

5616
CSO: 4205/34

EXPORT OF GUM TIMBER PRODUCTS ON INCREASE

Selangor KIN KWOK DAILY NEWS in Chinese 7 Dec 83 p 2

[Text] Datuk Paul Leong Khee Seong, minister of primary industries, disclosed today that export of Malaysian gum timber products has increased considerably. During the first 9 months of this year, export of swan rubber-tree timber reached 35,000 cubic meters; by comparison, all of last year and all of this year the figure was only 32,000 cubic meters and 27,000 cubic meters, respectively.

Datuk Paul Leong said that local rubbertree timber furniture manufacturers enjoy controlling markets in Europe, the United States and Japan and that they are steadily turning their attention toward rubbertree timber as an important source of raw material.

The minister was officiating at the opening ceremony of the Malaysian Timber Market Conference here today.

He said that thanks to the regular rubbertree tree replanting scheme, it is expected that our country still has 9 to 10 million cubic meters of rubbertree wood that can be processed into timber.

He expected that in the future more and more local furniture manufacturers will rely on rubbertree wood as a supply source for supplementary timber. In this connection, he expressed hope that furniture importers and consumers will react correspondingly.

Earlier, Datuk Paul Leong indicated that world economic recovery will increase the demand for Malaysian timber, and this will test the Malaysian timber industry, in facing this challenge, whether it can show a better and more effective performance in world market competition.

He also pointed out that condition of our timber market has improved, as reflected in the 17.2 percent increase in our timber and timber product exports.

He said that the most heartening news is the recovery of the sawn timber industry. Compared with last year, Malaysian sawn timber export has increased 20 percent in volume and 27 percent in value.

In Peninsular Malaysia, the main foreign-exchange-earning timber products from January to September this year were sawn timber (M\$629 million) and glued board (M\$187 million). Compared with last year's corresponding period, the f.o.b. price of graded dark redwood, light redwood and teakwood this year has increased, respectively, 3 percent, 14 percent and 29 percent to M\$778, M\$603 and M\$749 per cubic ton.

Talking about world economic recovery and the possibility of an increased demand for our timber, Datuk Paul Leong warned timber exporters to be more vigorous in determining the special requirements of timber importers. He said that to protect our competitive capabilities, Malaysian timber exporters must continue to prove to importers that they can supply high-grade timber at a reasonable price within a specified period and a required quantity.

In this connection, he held that personal contacts between suppliers and buyers play an important role in marketing strategy, for this kind of individual relationship will help establish mutual trust and overcome an-possible problem.

Bringing up the problem of our annual tree-felling rate, the minister said that it has dropped from 265,967 hectares in 1978 to 227,000 hectares in 1982, and it will continue to drop to 149,000 hectares in 1986. In his view, at this trend, the basic requirement of our timber-processing industry will suffer no harmful effect.

At the same time with reducing the logging rate, the government is also redoubling its reforestation effort. He indicated that the government is drawing up a reforestation plan covering an area of about 188,000 hectares within a period of 15 years.

He said that to cope with the timber industry demand, our timber-processing industry must be able to make full use of all kinds of trees.

Datuk Paul Leong pointed out that to lower our logging rate, logging companies should transport relatively unknown, little-used and small-diameter logs from the forests in order not to deplete fine-quality timber.

He said that ceratin importers and furniture buyers do not want furniture which is not made of well-known or quality wood. This is because most of them are ignorant about kinds of wood and their characteristics. To remedy this matter, the department concerned has issued a brochure describing 58 different, little-known timber products for reference.

Earlier, G.K. Rama Iyer, chairman of the Malaysian Bureau of Timber Industry, said in a speech that apart from making efforts in promoting foreign markets, his bureau is devoting its energy to intensify the utilization of timber in the housing industry.

He held that our timber exporters should strengthen further the good reputation they have maintained in the past.

With regard to the bureau's plan for next year, Rama Iyer disclosed that his bureau will organize a trade delegation to the United States, North Africa, West Asia and the People's Republic of China. Further, it will consolidate Malaysia's traditional market, such as the European Economic Community (Common Market), and open up wider markets in Japan and Australia.

He indicated that he will seek foreign investors in furniture manufacturing industry in order to get the benefit of technology transfer from them.

9300

CSO: 4205/35

BRIEFS

MULTIRACIAL ARMY URGED--Koh Tsu Koon, MP for Tanjong constituency, yesterday called on the government to take necessary steps to absorb nonbumiputra youths into the army. He said that it has been proven that in a multiracial country, a multiracial army helps promote unity and understanding among the people. He made these remarks at a parliamentary debate concerning the 1983 Armed Forces (Amendment) Bill. Koh described the army as an institution for cultivating interracial solidarity. He maintained that in such a multiracial country as Malaysia, it is essential for the army to reflect the country's population makeup. "Otherwise, misunderstanding might crop up when a racially unbalanced army unit is patrolling an area largely inhabited by members of a different nationality. I don't mean to say that racial incidents have occurred, but I'm just worried that if such an incident were to happen, it might lead to serious contingencies. That's why the authorities should pay attention to this problem," he said. Koh held that the government has not done enough in balancing the racial composition of our armed forces, particularly in the army whose membership comprises too few nonbumiputras. In his view, there are two reasons why only 10 to 15 percent nonbumiputras are represented in military services. One is that the Royal Malaysian Malay Army Group does not accept nonbumiputras and the other is that due to historical reasons nonbumiputras are generally not interested in joining the armed forces. However, Koh added, nonbumiputra youths have now changed their outlook, so the government should openly invite them to enlist in the armed forces. In this connection, he proposed that when organizing a new army unit, the government should first consider the applications submitted by nonbumiputra youths. [Text] [Selangor SIN CHEW JIT POH MALAYSIA in Chinese 3 Dec 83 p 10] 9300

CSO: 4205/35

REPORTAGE ON ELECTION OF NEW DEPUTY PRIME MINISTER

Attorney General McLay Chosen

Wellington THE EVENING POST in English 15 Mar 84 p 1

[Excerpt] The Minister of Justice and Attorney-General, Mr McLay, 39, is the new Deputy Prime Minister.

Mr McLay was elected on the first ballot by the 47-strong Government caucus today.

The announcement was made shortly after the ballot was taken by the Prime Minister, Sir Robert Muldoon.

Smiling as he emerged from the caucus room with his new deputy, Sir Robert immediately predicted National would forge ahead and win the next election with an increased majority.

Mr McLay was favourite from the start of intensive lobbying which started a fortnight ago when the Deputy Prime Minister and Minister of Agriculture, Mr MacIntyre, signalled his intention to resign. Mr McLay won from two other contenders--the Minister of Energy, Mr Birch, and the Minister of Labour, Mr Bolger.

HERALD Editorial Profiles McLay

Auckland THE NEW ZEALAND HERALD in English 16 Mar 84 p 6

[Editorial: "PM's Right-Hand Man"]

[Text] The youngest member of the cabinet has become its second most exalted member. Mr McLay's promotion by his caucus colleagues to be secundus inter pares, deputy to the Prime Minister, is a triumph for his commanding personal presence, for relative youth and, not to neglect a geopolitical dimension, for Auckland.

It may not sit well with all, even within the party, that both its pilot and co-pilot now hail, when not confined to the capital from harbourside suburbs

which the electoral map consolidates as Birkenhead. That is a coincidence, compounded by the fact that the party president is also an Auckland; it has rightly been subordinated to other considerations. On experience, Auckland would be as unwise to place any store on its pork-barrel potential as other regions would be to regard it as an affront.

Mr McLay's previous ministerial peers have been careful to insist that his elevation yesterday does not make him heir apparent to Mr Robert Muldoon. Perhaps not, although such parallels as exist in the party's history surely suggest that he must be counted at least heir presumptive.

And yet...even a week, as they say, is a long time in politics. Much must necessarily depend on Mr McLay's performance and that of others whose hats were not in the ring yesterday but who still covet the party leadership ultimately. Moreover, much will also depend upon whether National retains power at the forthcoming general election and the almost inevitable internal rearrangements which will ensue if it should not do so.

The public must conclude that the parliamentary party judges its electoral prospects to be the better with Mr McLay than with either Mr Birch or Mr Bolger at Sir Robert's right hand. As the third-oldest in the ministry, Mr MacIntyre was in any event approaching the close of his career. Actuarially, and putting aside all other considerations, Mr McLay can expect an extraordinarily long hold on high party office.

Mr McLay is personable and brisk, an accomplished debater, indeed a trained advocate. His election fills the four top places in the two main political parties with professional men, three of the four being lawyers.

The Opposition may not much care for Mr McLay's promotion. Nevertheless, given Labour's own recent leadership choices, it must surely detect remarkable parallels. Young. Articulate, Comparatively brief parliamentary experience. A broadly liberal bent. An urban background. Professional calling. Which party? Yesterday's vote seems to have been one for a certain convergence.

Busy Time Seen for Designee

Auckland THE NEW ZEALAND HERALD in English 17 Mar 84 p 3

[Text] Wellington Bureau--The newly elected Deputy Leader of the National Party, Mr McLay, could find himself Acting Prime Minister five times before the general election.

The Prime Minister, Sir Robert Muldoon, who returned last week from a month overseas, has five more journeys abroad planned this year.

In mid-May he will go to a meeting of the Organisation of Economic Co-operation and Development in Paris, followed by a meeting in London of the Commonwealth committee on trade and payments reform. That trip will probably last at least a week.

In early August, he will attend the regional Commonwealth Heads of Government meeting in Papua New Guinea, and later in the month he will go to Tuvalu for a meeting of the South Pacific Forum.

Sir Robert is also scheduled to attend the closing ceremony of the Olympic Games in Los Angeles in August.

Each of the latter three trips will last at least three days.

In September, Sir Robert will go to the United States and Canada, for a meeting of the World Bank and then to the Commonwealth finance ministers conference. He should be away about 10 days.

The 39-year-old Mr McLay is likely to lead the Government during Sir Robert's absences. The deputy leader will do so from his present office on a middle floor of the Beehive.

It appears that Mr McLay has not wish to go through the physical upheaval of moving his office into the usual deputy leader's suite, two floors below the Prime Minister, before the elections.

Meanwhile, in spite of the announced retirements of two Government frontbenchers in Parliament--the Rt Hon Duncan MacIntyre and the Rt Hon David Thomson--only one of them is likely to move out of the front line.

Mr MacIntyre's place alongside Sir Robert will be taken by Mr McLay when the House convenes on May 31.

But it was revealed yesterday that Mr Thomson would retain the post of Leader of the House until the elections.

The chief Government whip, Mr D. C. McKinnon, said that would almost certainly mean Mr Thomson would keep his present place on the front benches.

--Mr McLay will receive an extra \$7000 a year following his election as a deputy leader. He was receiving \$55,000 as a cabinet minister, but as Deputy Prime Minister his salary is now \$62,000.

CSO: 4200/658

UNEMPLOYED STATISTICS DECREASE IN FEBRUARY 'DRAMATIC'

Auckland THE NEW ZEALAND HERALD in English 14 Mar 84 p 1

[Text] Wellington Bureau. The number of people registered as unemployed dropped by more than 6000 last month--the biggest February reduction since the job market began tightening.

In the four weeks to February 24 the number of people without work dropped from 83,597 to 77,498.

Figures for people on subsidised work schemes also fell, prompting the Minister of Labour, Mr Bolger, to describe the changes as dramatic.

"For the first time in some period we are seeing a turnaround now of quite significant proportions," he said.

Figure Down

The number of people unemployed or on special work fell from 131,723 to 118,433, a drop of 13,290.

The monthly employment statistics published by the Department of Labour showed 76,403 people who registered as unemployed (excluding vacation workers), representing 5.7 per cent of the estimated workforce.

The figure was down 3575 since the end of January

Registered unemployed (with the figures for the previous month in brackets) included.

<u>District</u>	<u>Total</u>	<u>Percentage of Workforce</u>
Whargarei	3437 (3336)	7.9
Takapuna	3219 (3275)	4.7
Auckland	12,988 (13,181)	7.1
Manukau	8745 (8823)	7.9
Hamilton	6557 (6823)	5.9
Tauranga	1739 (1747)	6.0

Rotorua	4655 (4952)	7.9
Gisborne	1345 (1600)	7.2
Lower Hutt	2121 (2354)	3.6
Wellington	4678 (5877)	4.7

The total of unemployed included 9279 schoolleavers, a decrease of 759 on the previous month.

Nearly 1100 tertiary students were seeking temporary work on February 24, a decrease of 6099 since the end of January.

Mr Bolger agreed that the number of unemployed school-leavers was still unsatisfactory. He said those who had opposed the concept of youth rates when the issue was debated last year in Parliament should reflect on the continuing high figure.

Long Period

But the statistics generally had nevertheless revealed one of the more dramatic downturns in the number of unemployed or of people being assisted into employment, said Mr Bolger.

There had also been a decrease in the number of people out of work for a long period, he said.

Mr Bolger said the latest figures reflected a continuation of a trend which had begun late last year when an extra 16,000 jobs were created in three months.

The trend also tied in with the results of recent surveys showing an increase in business confidence, he said.

"That business optimism seems to be coming through now in additional jobs."

Welcomed

Mr Bolger said he was being consistently advised by departmental officers that they could place people more easily in jobs now than at almost any other time.

The Labour Party spokesman on employment, Mr Peter Neilson, said he warmly welcomed the reduced unemployment figures, although it was still unacceptably high.

But Mr Neilson said the decline was seasonal and there had been a reduction at this time every year since 1975, except in 1980 and 1983.

Mr Neilson said it was "entirely predictable" that unemployment would reach a temporary plateau in an election year as the economy was primed for political reasons.

Twenty-Fold

There was some small cause for short-term encouragement in the latest figures, he said, although unemployment remained the country's major problem.

"Any reduction in unemployment is welcome" said Mr Neilson, "but New Zealand voters will not forget there has been a 20-fold increase in registered unemployment in the last eight years of National government."

The Social Credit deputy leader, Mr Garry Knapp, said the figures showed that the numbers unemployed or on special work had increased by 70 per cent between February 1981 and February this year.

Over the same three years registered unemployment had jumped by 54.5 per cent, he told the NZPA.

"The National Government can take no credit from the latest statistics because when the number of school-leavers and tertiary students are excluded--many of them having returned to study--there has been only a negligible improvement."

CSO: 4200/658

MOBILIZATION OF READY FORCE, AUSTRALIAN COOPERATION REPORTED

Christchurch THE PRESS in English 17 Mar 84 p 8

[Text]

The first mobilisation and deployment of the New Zealand Army's Ready Reaction Force is under-way at Great Barrier Island and has already highlighted equipment requirements for the fledgling force.

The requirement for the force itself was first identified in the 1978 Defence Review, where planning for special contingency units "for ready response to the most likely contingencies which can be foreseen" was outlined. That review said the force would not involve additional manpower for the Army, but that it would draw its strength from personnel in other units who would be brought together from time to time for training.

The latest Defence Review, tabled in Parliament in mid-December, clarifies the role of the Ready Reaction Force. It describes the force as a deployable battalion group of 1000 to 1200 Regular Force personnel to be kept at full strength and a high state of readiness.

"It will be equipped and trained for land operations up to as high a scale of intensity as can be foreseen in the circumstances of the South Pacific," the review said.

The force would be given priority within the Army for manpower and the purchase and issue of equipment.

In the light of those comments it seems likely that needs identified in the present Exercise Northern Safari will be met.

The chief exercise planner, Lieutenant-Colonel Christopher Mullane, has already put "some sort of landing ship" at the top of any shopping list that the Ready Reaction Force might compile.

For Northern Safari, the Army has had the use of H.M.A.S. Tobruk, the Australian Navy's only amphibious heavy-lift ship.

"We actually had a plan before getting Australian approval to use the Tobruk," Colonel Mullane said. "It was a contingency plan to use civilian barges."

"New Zealand's geographic location speaks for itself. We are a maritime nation and we have a responsibility in the Pacific," he said.

Part of the exercise involved looking at better ways to meet the requirements given to the force, he said.

"Some sort of landing ship would be a requirement — that is obvious."

Colonel Mullane said this requirement had been identified long before the Falklands war but that lessons had been learnt there.

The exercise scenario relates to a kingdom named Aotea which is populated largely by Caucasians and is farming-oriented. Insurgents from Musoria (a fictional Australian-created enemy) have gradually created a presence in the kingdom and have gone beyond the control of the Aotean resources. New Zealand forces have been called in to assist

and are supplemented by Australian engineers and the amphibious ship which has transported them.

The enemy for the exercise is provided by a company of Gurkha soldiers from Hong Kong. The company is on an annual training deployment in New Zealand.

The exercise began on February 20 when the Ready Reaction Force was mobilised, and since then various elements of that force have moved from the mobilisation to the deployment phase. By the end of the exercise about 650 soldiers will actually have made their way to the island, although only about 500 of them will be from the Ready Reaction Force.

Engineers of the 1st Australian Field Squadron were among the first to land on the island and since their arrival have been doing support work there. This has included improvement of roading for use in the exercise — an approach preferred to the option of repairing damage after the Army's presence — building adventure playgrounds at the Okiwi and Tryphena schools on the island, building a swing bridge, and improving other bridges and the hikers' track system on the island.

The third aim of the exercise, beyond the mobilisation and deployment phases, is the practice of counter-insurgency operations.

"It so happens that at this stage of the curriculum we are at counter-insurgency. It is time to dust off the books on counter-insurgency and make sure we are up to date with that," said Colonel Mullane.

The whole concept of the Ready Reaction Force was its ability to deploy offshore, said Colonel Mullane. This was an aspect that was likely to be practised in another exercise next year, although not necessarily at Great Barrier Island. A future exercise could be held between the

North and South Islands, he said.

Already, Northern Safari had shown that the Army was not fully equipped for offshore deployment. Colonel Mullane gave the example of equipment normally carried by air not having tie-down points for transportation by ship.

Certain areas on Great Barrier Island have been decreed "no-go areas" for the soldiers. These have included tapu areas, black petrel nesting areas, kauri seedling areas, certain wetlands, and other significant wildlife areas.

Their elimination from the exercise area has created something of a realism, according to colonel Mullane.

"In a counter-insurgency situation there would be areas that have to be avoided. It has provided realism that we would have had to build in," he said.

For several months environmental groups have been expressing concern about the holding of the exercise on the island. Their concern has ranged from the fear that the exercise might be a prelude to a permanent military presence on the island to the environmental impact of the soldiers.

On Wednesday, when the infantry division of the Ready Reaction Force was landed from H.M.A.S. Tobruk at Port Fitzroy, only a small group of island residents was on hand to watch. Most expressed an interest in what was going on, had no great objection to the siting of the exercise, but were waiting with interest to see what condition the area was in when the Army left. The withdrawal is expected to be completed by the end of March.

One local farmer, Mr Sven Stellin, filmed the arrival of the soldiers. He said his efforts would be shown to the people of the island. About 40 people live at Port Fitzroy, he said, and about 700 over the whole island.

EXPORTS TO AUSTRALIA INCREASE 79 PERCENT

Wellington THE EVENING POST in English 16 Mar 84 p 4

[Text]

CANBERRA, March 15. — New Zealand exports to Australia in January increased by a staggering 79 percent on the same month in 1983, according to the latest figures.

And New Zealand exports across the Tasman over the first seven months of the Australian financial year — which runs from July to June — were 45 percent higher than in the corresponding 1982-83 period, as the country boosted its overall share of Australian imports by 25 percent.

The figures, just released by the Australian Bureau of Statistics and analysed by New Zealand trade officials, also show the New Zealand performance far outstripped its competitors.

In January this year, while New Zealand boosted its exports to Australia by 79 percent, total imports were up only 29 percent, and the first seven months of the financial year saw total imports up only 1 percent.

Recession

Australian sales to New Zealand in January were up 39 percent on January 1983, while over the first seven months of the finan-

cial year they were up 18.7 percent. Total Australian exports worldwide only improved 6.9 percent.

However New Zealand officials said that it was too soon to say whether the dramatic improvement was due to the CER agreement or to the improvement in the Australian economy during the same period.

"It must be remembered we're comparing seven months with the same period in the previous year when the Australian economy was going into a recession.

"It is probably a combination of a trade pact and the emergence from the recession, helped by activities like Focus New Zealand and a higher awareness among New Zealand exporters of Australian opportunities.

"It is interesting to note that in the first six months of the 1983 calendar year New Zealand exports to Australia were down by 3-4 percent a month on January-June 1982, but that from mid-year the scene changed and they started running ahead," an official said.

World fall

"Transtasman trade both ways has increased in the past seven months much more quickly than each country's trade with

the world as a whole."

The figures show that throughout the second half of 1983 the monthly figures for New Zealand exports to Australia were an average 20 percent ahead of the corresponding months in 1982, while total Australian imports from the rest of the world fell for part of that time and overall rose only 1 percent.

"That could have been CER, but a factor could also have been that with New Zealand as a close source of supply it was better placed to fill small orders quickly from Australian companies that couldn't afford to take on big inventories," the official said.

The 79 percent January increase is regarded as an aberration because of the depressed exports the previous January, but the New Zealand exports to Australia still improved despite a halving in the big sales of newsprint over the past two years.

Of the total \$A13,200 million worth of imports into Australia between July and January, New Zealand supplied \$A500 million up \$A100 million on the first seven months of the previous year.

Australian imports in the first seven months of the 1982-83 year were \$A3100 million. — NZPA.

EDITORIAL HITS U.S. POSITION ON ANTARCTICA

Wellington THE EVENING POST in English 21 Mar 84 p 4

[Editorial: "Antarctic Future Global Commitment"]

[Text] SOONER RATHER THAN later, the world has to come to terms with Antarctica and agree on how best the region can be exploited for peaceful purposes.

The Antarctic Treaty, to which New Zealand is a foundation signatory, is into its 24th year, but the parties have still to reach global unanimity on Antarctica's future.

New Zealand is concerned to ensure the sovereignty of its claim to the Ross Dependency (our flag has flown at Scott Base for some 26 years) and last June, the Minister for the Environment, Dr Shearer, warned that an unregulated scramble for the area's minerals could develop unless an international agreement was worked out quickly.

In the same month, Mr Chris Beeby, assistant secretary of Foreign Affairs, added that the Antarctic Treaty was under pressure and at risk until it covered a regime for the exploitation of mineral resources.

Now, as a Washington report published in our columns on Monday revealed, the United States will not agree to strategic resources in Antarctica or outer space being managed by multinational bureaucracies modelled on the Law of the Sea Treaty.

The Americans' concern, as conveyed by a senior State Department official, is the influence new multi-national bureaucracies controlled by the Third World and Soviet bloc countries might have over the management of the resources of the oceans and other largely unexplored frontiers.

Yet development of Antarctica is inevitable and there is surely a global obligation to avoid what might be loosely called an Antarctic scramble.

Suspicion, amounting to downright distrust, among the major powers and spheres of collective interest, be it multinational, United Nations, or whatever, will only prolong the day of essential reckoning.

If exploitative greed is given free rein, Antarctica faces a grim future and this must alarm New Zealand. Avoiding such a situation, therefore, should be the open responsibility of all nations.

Naturally, because of its global influence and importance, the United States has a leading role to play in the orderly and peaceful development of Antarctica. However, it has not ratified the Law of the Sea Treaty (which New Zealand did in 1982) and there is the problem of American non-recognition of Antarctic sovereignty and, in particular, New Zealand's claim to the Ross Dependency.

New Zealand has a right to be disturbed about the lack of international accord over Antarctica's future. We are virtually the last stop south and this country has traditional ties with Antarctic exploration. Over many years, New Zealand has adopted a very responsible attitude to the region.

But we are just one voice in the Antarctic Treaty line-up (with China a consultative party to the treaty) and the proper exploitation of the region in keeping with the treaty's "peaceful purposes" pledge needs more than one lone, conscientious voice.

CSO: 4200/658

EEC FAILURE REPORTED, LOCAL IMPLICATIONS DISCUSSED

Muldoon Expresses Concern

Auckland THE NEW ZEALAND HERALD in English 22 Mar 84 p 1

[Excerpts] NZPA, Wellington. The failure of the EEC summit meeting in Brussels to reach agreement on key agricultural matters caused deep concern for New Zealand, the Prime Minister, Sir Robert Muldoon, said yesterday.

"We have vital trade interests at stake with the EEC and our continued butter access to the Community has been linked to settlement of the Community's own reform plans for its agriculture sector," Sir Robert said.

"While our access for butter should be allowed to stand on its own merits, Ireland in particular has said that a long-term access arrangement for New Zealand butter will be possible only if Ireland is given some form of exemption from the Community plans to cut back EEC milk production."

In wellington yesterday Sir Robert said the Government would not consider what action was needed in light of the summit outcome.

He said the Government would like the Council of Agriculture Ministers at its meeting next week to make a decision on New Zealand's long-term access.

Sheepmeat

"If it cannot, we must have a further roll-over on the same basis that has operated so far this year. Our access must be safeguarded," the Prime Minister said.

New Zealand's vital sheepmeat trade with the EEC would not be affected by the failure of the summit to reach decisions on the reform of the common agriculture policy, he said.

"We have an arrangement under which we can send up to 245,508 tonnes of sheepmeat to the Community each year and this will continue to operate," he said. "Whether the special arrangement to cover our exports of lamb to France will be signed will depend on the council's decision on butter." Sir Robert said the next EEC summit meeting was scheduled to take place on June 25-26.

Implications of EEC Failure

Christchurch THE PRESS in English 23 Mar 84 p 16

[Editorial: "EEC Summit Failure"]

[Text]

The European Economic Community has often staggered from crisis to crisis, and, in the end, problems have been resolved so that the Community survives. A summit meeting of the Community has just failed to settle differences and the result may be much more serious than previous problems in the E.E.C. First and most important is the fact that it was a summit meeting which failed. Sometimes negotiations within the European Commission — the civil service of the Community — become deadlocked. Sometimes negotiations between the European Commission and the member Governments or other governments become deadlocked. Sometimes the meetings of the Council of Ministers embracing all the relevant Ministers of the member Governments cannot agree and there is a crisis.

These problems sometimes find their way up successive agendas of the civil service or the political hierarchy. Prime Ministers or Presidents might decide to yield on a point of disagreement in the over-all interests of the Community. In the latest instance, the disputed issue went to the highest level and was not resolved.

A failure to agree at this level upsets the morale of the whole E.E.C. and there are no further levels to which the differences can be taken. Even more dispiriting is the thought that summit meetings are usually very well prepared, most of the wrinkles are ironed out in advance, and the leaders of countries do not like taking part unless they have some assurance that they can go home with a successful outcome. Failure in a summit meeting also means a greater chance that the dispute will spill over into other areas. Questions are already being asked about whether E.E.C. political co-operation will continue. This consists of the formulation of common positions on major foreign policy matters. Some North Atlantic Treaty Organisation officials are becoming edgy because most of the members of the E.E.C. are also members of N.A.T.O. and the officials do not want E.E.C. differences to upset N.A.T.O. unity.

The second major factor that gives particular significance to the summit failure is that the Community is running out of money. It is financed mainly from a value added tax levied in the member countries and from various customs duties. The value added tax is

restricted to 1 per cent. At the present rate of spending, the Community will exhaust its funds later this year. The member countries could, of course, increase the Community's revenue, but certain countries are not going to agree to this unless the Community's outgoings are reduced as well.

This is where the spending on agriculture comes in and the Council of Agriculture Ministers recently took the step of imposing a levy to limit milk production. This decision meant that, at last, the trend towards increasing the production of milk was arrested. The plan to impose the levy depended on the summit meeting for its final implementation. The restraint on production, if it is finally adopted, may not be sufficient to make an important difference to the New Zealand dairy industry. At least a trend would be halted; and this is encouraging for New Zealand.

The summit failed on two points. One was the extent to which the Irish should be exempted from the milk limitation agreement; the other was the contribution that Britain makes to the E.E.C. Budget. The two issues are linked because the agreement to limit milk production is a critical test of the Community's willingness to reduce its spending on agriculture subsidies and because Britain wants to see the spending cut and its own financial contribution reduced. The issues go to the very heart of the E.E.C. and of Britain's relationship with the other member countries. To some extent it can be argued that this crisis has been coming ever since Mrs Margaret Thatcher became Prime Minister of Britain and wanted cuts in Britain's contribution to the E.E.C. Budget. In fact, the issue goes back even further than that, to the establishment of the Community itself.

The E.E.C. was first arranged among six European countries — West Germany, France, Belgium, Luxembourg, the Netherlands, and Italy. All had many people employed on the land. Self-sufficiency in food production was among the elements of the Common Agricultural Policy. This policy set up a system of subsidies to sustain production. It was also a social policy intended to keep people from moving to the towns for work. Britain differed in its basic economy from the original six members because it had proportionately fewer people employed on its farms. It was also a

bigger importer of food, for which high duties had to be paid under E.E.C. rules.

One of the most important differences in the present crisis is that Britain and the founding members of the E.E.C., as well as those members which joined later, are sorting out basic problems about how Britain can be fitted into the E.E.C. Although, in more than 10 years since Britain has been a member, conflicts have arisen, skirting them seems almost impossible this time.

The resolution of the conflicts will probably be a long time coming. It is almost inconceivable that the E.E.C. will collapse. The economies of all the countries are too closely intertwined for this to be allowed. Unhappily for New Zealand, the Common Agricultural Policy subsidies on agricultural produce will

not be abandoned completely. Farmers in almost all the E.E.C. countries are too powerful politically for the C.A.P., out of which they do so well, to be dropped.

Britain is not likely to pull out of the E.E.C. If it did so, Britain would find itself separated from the largest trading bloc in the world by high tariffs, and Britain has no other comparable market. The most likely outcome is that some compromises will still be made and, because of the basic nature of the differences, the E.E.C. may be slightly changed in character. As is customary when the E.E.C. searches its coffers for money, and searches its soul for a useful and workable meaning, New Zealand has to wait before it can enter into any long-term arrangements to ensure its own economic survival.

CSO: 4200/658

EDITORIAL COMPARES JAPANESE, U.S. THREATS TO LOCAL MEAT

Auckland THE NEW ZEALAND HERALD in English 16 Mar 84 p 6

[Editorial: "Beleaguered Meat Industry"]

[Text] Trouble knocks so frequently at the door of the New Zealand meat industry that it is easy to forget the industry is still by far our biggest export earner. That fact makes the additional marketing powers the board assumed last year even more onerous. Somehow, it has to find a way of imposing discipline and profitability on the marketing of lamb, in particular, without upsetting the overseas producers and traders with whom it deals.

The latest complaints from Japan and the United States suggest that the task will be difficult. In Japan many traders are apparently threatening to boycott our sheepmeat because of the board's marketing plans, and in California farmers are calling for a protective duty on our lamb.

On the face of it, the Japanese threat seems the more serious. With considerable potential for growth existing in that country's lamb market, the board cannot afford to antagonise the traditional traders. Clearly, it must step warily.

The American complaints may be less pressing. The Government subsidy on New Zealand lamb is not large by world standards. Our share of the American market is so small that it would be ridiculous to argue that this country is injuring domestic producers.

CSO: 4200/658

BRIEFS

KIWIFRUIT EXPORTS TO JAPAN INCREASE--A rise of 30 to 40 per cent in New Zealand kiwifruit exports to Japan this year has been forecast, and a further leap in sales has been predicted for 1985. The forecast was made by the New Zealand Kiwifruit Authority at a pre-season meeting with Japanese importers in Tokyo. According to importers, New Zealand would ship from three million to 3.5 million trays--at 3.6 kilograms a tray--compared with the 2.94 million trays exported last season. This meant sending to Japan about 30 per cent of the total expected crop of 10.5 million trays. [Excerpt] [Auckland THE NEW ZEALAND HERALD in English 19 Mar 84 p 1]

HIGHER AUSTRALIAN IMPORT COSTS--A steady hardening of the exchange rate between Australia and New Zealand may be responsible for a large amount of unused allocation of Exclusive Australian Licences (EALs) says Mr J. C. Redward, a director of Trade Consultants Ltd. He told delegates at a CER conference that the hardening of the exchange rate helped exports to Australia but made imports more expensive. EALs are tendered to meet New Zealand's access commitments under the CER treaty. Other reasons for large unused allocations by New Zealand companies were that there was no known Australian supplier of the goods, the inability of Australian manufacturers to meet the 50 per cent area content rules and cost benefits in New Zealand's favour, he said. Applications for manufacturers' EALs--worth \$16.8 million--for the 1984-85 year close on April 6. Any balance not taken up out of the EALs allocation will be added to the tendered EAL pool which stands at \$112 million. Applications for tenders close on April 30. [Text] [Auckland THE NEW ZEALAND HERALD in English 21 Mar 84 Sec 3 p 3]

DEVALUATION REPORTS DENIED--The Prime Minister, Sir Robert Muldoon, has ruled out an imminent devaluation of the New Zealand dollar. Asked if it was possible that the dollar would be devalued in the near future, Sir Robert replied emphatically: "No it is not." "The Post" had put a written question in to Sir Robert on Wednesday following a report from London that said London operators were reluctant to trade in New Zealand wool because of Bradford speculation of a possible New Zealand dollar devaluation shortly. [Text] [Wellington THE EVENING POST in English 22 Mar 84 p 1]

CSO: 4200/658

JOURNALIST DESCRIBES 'DUBIOUS EVENTS,' BENEDICTO'S INFLUENCE IN GORE TRIAL

Brisbane THE COURIER MAIL in English 22 Feb 84 p 4

[Article by Bruce Dover: "Power Politics, Intrigue and Father Gore's Trial"]

[Text]

"SOMETHING is rotten in the state of Denmark," said Marcellus of some rather dubious events in Shakespeare's "Hamlet".

Had Marcellus been in Bacolod in recent weeks, he might well have said the same of the Philippines.

The dubious events in the latter case surround the murder trial of Australian priest Father Brian Gore, who along with eight co-defendants is charged with the ambush murder of Kabankalan Mayor Pablo Sola and his four companions in March, 1982.

The trial began on February 7, but was adjourned minutes after proceedings were underway because of "overcrowding".

It will resume tomorrow in a larger venue in Bacolod, but few here would hazard a guess at how long the resumption might be.

Certainly there was a whiff of something mouldering, if not rotten on that first day of the trial.

It is now apparent that the courthouse overcrowding was a deliberate ploy on behalf of the opposition.

Farmworkers from the haciendas of the late Mayor and of those wealthy sugar planters hostile to Father Gore and his colleagues, were stacked into the court building some three hours before the trial was due to begin.

Some of the farmworkers in the courthouse said afterwards they had told by their bosses they were to go to work on another farm for the day, bundled into the back of cane trucks and driven to the courthouse.

Others simply said they were promised a free meal if they attended.



Prosecutor, Mr Lindy Diola, with the support of the defence counsel, asked that the trial be transferred from provincial Kabankalan to Bacolod City.

However, in supporting the request, the defence argued that the hearings should continue in Kabankalan until arrangements could be made for an alternative venue.

Trial judge Emilio Legaspi, agreed to the transfer but rejected the plea for the hearings to continue in the meantime. Why?

The judge had at his disposal enough soldiers — armed with Armalite rifles — to clear the court in minutes had he chose to do so.

Instead, the court was adjourned for 16 days while the judge personally went about locating a suitable venue.

Two days later, a hearing of habeas corpus, initiated by the Bishop of Bacolod, Antonio Fortich, secured the release from military custody of a young farmer, Helmie Pavelier.

Helmie had been arrested by the military on January 27, just 12 days before the trial on grounds that he was a member of the outlawed New People's Army.

The military admitted during the hearing that Helmie had undergone one day of "tactical interrogation" — but for the rest of the time he had not been detained — he was just a guest.

Helmie's version of events is somewhat different to the military. He says he was beaten and tortured and finally a gun barrel placed in his mouth until he agreed to sign a prepared confession that he took part in the ambush allegedly led by Father Gore.

Defence counsel, Francisco Cruz, says he knows of one other man, currently serving time in the Bacolod jail, who says he was beaten by the provincial commander of the Philippines constabulary, Colonel Francisco Agudon, and a military officer, one Captain Mendoza, until he agreed to sign a similar confession.

The prosecution's problem is that to date its entire case is based on circumstantial evidence.

It has no witnesses to the actual crime, except perhaps Father Young Helmine who has now unfortunately slipped from the prosecution grasp.

Attorney Cruz says: "The prosecution has all the necessary affidavits alright — they just need someone to sign them."

How is it that nearly two full years after the murder and nine months since the arrest of Father Gore and company, the opposition is still "consolidating" its case against the accused?

If the case against the three priests and six layworkers is strong enough for the trial to proceed, why is it that there has been considerable behind-the-scenes manoeuvrings to persuade Father Gore to accept deportation rather than face the court?

The same night as the habeas corpus hearing, a .38 calibre bullet was fired through the third-storey roof of local television station, Magnitude 10, narrowly missing two technicians working in the studio below.

Station staff had earlier received threats that if they continued to broadcast reports on the Gore trial or the habeas corpus hearing, they would all be killed.

The following night two visiting journalists, including myself, as well as a local priest-photographer were robbed in separate incidents.

Technical equipment and notes on the Gore case were taken while cash, travellers cheques and passports were left untouched.



The foreign media were reluctant to draw any connection between the thefts and the trial, but not so Attorney Cruz.

He says he knows of similar incidents in previous trials where journalists were harassed, had their equipment broken or stolen to "discourage them covering sensitive topics".

The resumption of the trial will see a lengthy debate about sitting times.

Judge Legaspi, now assigned full-time to the case, initially proposed two half days of hearings a week.

The defence claims it wants five full days of sittings a week, will settle for three, but adds that even at that rate it will take a full year to hear all the witnesses.

Prosecutor Diola says that "unless there are special arrangements" he is too busy, and can fit only one day a week in his schedule for the Gore case.

Of course, Judge Legaspi is under considerable pressure in his first major case since his appointment to the bench — an appointment personally vetted by Philippines sugar king and economic overlord on the island of Negros, Roberto Salas Benedicto.

Mr Benedicto is a close ally of President Marcos, a former ambassador to Japan, chairman of the Philippines Sugar Commission, owner of several banks, a newspaper empire, cable television and radio networks, a maritime academy, sports centres, a steamship line and practically everything that makes money on Negros and the surrounding islands.

It is also widely accepted here that Mr Benedicto has been very influential among those opposing Father Gore and the work of the Colomban missionaries in organising the poor workers to stand up against the sugar planters and the military.

Father Gore says he believes that tactics employed so far have been "deliberate ploys to buy time and force out the foreign media".

"We know that they are not ready with their witnesses and they need time," he says.

"We'd just like to know what else they have in their bag of tricks."

INCREASED SUGAR EXPORTS TO U.S. GRANTED

Manila BULLETIN TODAY in English 22 Mar 84 p 8

[Excerpt]

The Philippines, faced with a severe foreign exchange shortage, has asked the United States for a bigger quota on sugar imports, President Marcos said Tuesday.

Marcos said he made the request in view of a recently announced US plan to increase its overall import quota by 100,000 tons.

He did not say how large an increase he

had requested. The Philippines' sugar quota for the US market in 1983 was about 340,000 short tons.

Marcos said that although Caribbean nations appeared to have an edge in the competition for a share of the increased import quota, he had asked government sugar officials to urge Washington to look to the Philippines.

CSO: 4200/652

THAILAND

FINANCE MINISTER INTERVIEWED ON BUDGET, TRADE DEFICITS

Bangkok SIAM RAT SAPPADA WICHAN in Thai 26 Feb 84 pp 46, 47

[Interview with Sommai Huntrakun, the minister of finance; date and place not specified]

[Text] [Question] Last year, the Ministry of Finance did many things. For example, the tax structure was reformed, with a new exit tax collected from those travelling abroad. Would you please discuss the things that you think will benefit the country the most. Or you can discuss things in general.

[Answer] In 1983, the government's financial position improved somewhat from the liquor bids submitted by the Liquor Distillery, Excise Department, whose income exceeded the target by 2 billion baht. However, the government implemented a policy of having the Ministry of Finance cut the export tax on rice in half, that is, from 5 to 2.5 percent, and this had a direct, negative effect on state revenues and on the revenue targets stipulated for fiscal year 1984. Thus, revenues must be earned elsewhere to make this up. We cannot place our hopes in temporary revenues as in the case of the liquor distillery. Thus, the Ministry of Finance must improve the tax system. It is essential to increase revenues in order to balance the budget. This will bring about greater financial and monetary stability, which is essential for economic development. We want to encourage and protect those in domestic industry and agriculture. We want to do away with double taxation so that things are more fair and make the tax collection system more efficient. We also want to do things in accord with the government's policy of conserving energy and preserving the environment.

[Question] What is the key point in this tax reform?

[Answer] The key point in this change in the tax structure concerns the trade tax. The purpose of the change is to eliminate double trade taxes. Domestic producers have had to pay taxes at every stage, and the rates have been high. We will also reduce the trade tax on revenues earned from selling raw and semi-processed materials and parts produced domestically and sold to other producers for use in their production activities. The rate will be lowered to a flat rate of 1.5 percent

regardless of how much higher the normal rates were. At the same time, the rate for finished goods will increase 2 percent over the old tax rate, and the trade tax on imports will increase 2 percent in order to make the tax burden fair for domestic producers and to reduce the import of finished products. Concerning this change in the tax structure, it is expected that this will increase the state's revenues by approximately 3.5 billion baht. As for the exit tax, while this is a new tax [here], many other countries, particularly other ASEAN countries, collect this tax. And their tax is higher than ours. The purpose of this tax is not just to raise revenues. One of the main objectives of the Ministry of Finance is to save foreign currency. Besides this, reductions or exemptions are granted on a case-by-case basis as appropriate.

[Question] At present, Thailand's foreign debt is very large. At the same time, there is a serious trade deficit, which might affect the balance of payments. In addition, the dollar is very strong, and the value of the baht is pegged to the value of the dollar. Taking all these problems together, will it be necessary to devalue the baht? What steps can be taken to keep up from having to devalue the baht?

[Answer] You can't just say that Thailand has a large foreign debt. It's also necessary to discuss what these loans are being used for. If the loan money is being used to develop the country, that will benefit people in general and enable the country to repay the debt as stipulated. There shouldn't be any problems. Similarly, in saying that Thailand has a serious balance of trade problem, the size of the deficit must be compared with the country's economic growth. In recent years, the balance of trade deficit, as a percentage of the national income, has been around 8-9 percent, except in 1982 when the balance of trade deficit declined to 4.42 percent of the national income. Thus, the balance of trade deficit is not a serious problem.

However, last year, because the value of the baht rose as compared with other international currencies and because Thailand had a large balance of trade deficit, there was speculation that the baht would be devalued. The Ministry of finance was aware of these problems, particularly the stability of the baht. Thus, it implemented several measures to maintain the stability of the baht. On 26 December 1983, the Bank of Thailand implemented measures to deal with the balance of trade and balance of payments deficits. It implemented the following three measures to limit the credit expansion of the commercial banks:

1. The commercial banks were asked to control credits for imports of all types and to be particularly strict concerning luxuries.
2. Exporters who have received financial help from the Bank of Thailand in accord with the regulation on taking over discounted promissory notes stemming from exports must sign a contract with the commercial banks to sell their foreign-exchange receipts in advance.

3. The standards concerning commercial bank loans in the repurchase market have been revised to make them more suitable. Now, the banks can use only bond reserves in excess of 14 percent of deposits (formerly, they could use reserves in excess of 10 percent).

Then, on 19 January 1984, the commercial banks were asked to limit credit expansion in 1984 to a maximum of 18 percent, with the maximum expansion for each 6-month period not to exceed 9 percent.

It is thought that these measures will help solve the problems and improve the country's balance of trade and balance of payments situation. This will also make the value of the baht more secure.

[Question] Concerning the next budget, some scholars have said that Thailand will have to spend more and more to pay the foreign debt. In this case, if the country's rate of economic growth stays around the current rate of 6 percent, won't this affect having a balanced budget? If this is the case, in what other ways will the tax structure be changed?

[Answer] In fiscal year 1985, the amount of money allotted to pay the foreign debt is not expected to be much more than the amount allotted in 1984. The value will increase about 2 percent, which is considered to be a very small increase. Thus, there are not expected to be any budget problems. Concerning the budget, the Ministry of Finance has implemented a policy of budgetary austerity. The expenditures of the various government sectors have been limited. The economic growth rate is expected to be about 6 percent, which is slightly higher than last year. An attempt will be made to keep the rate of increase in receipts and expenditures in line with this. However, concerning the tax structure, those elements that are still not appropriate may be changed and revised in order to make the tax system more fair and to promote economic development even more. This must be done on an on-going basis since the environment in collecting taxes is constantly changing.

[Question] It is common knowledge that the International Monetary Fund once recommended that Thailand reduce its great budget deficit by lowering import taxes and devaluing the baht. Since Thailand is now experiencing financial difficulties, will these recommendations be implemented?

[Answer] The recommendations made by the IMF concerning the government's financial position, particularly the budget deficit, the import tax policy and the stability of the baht, were made based on an analysis of Thailand's economic situation. The Ministry of Finance has considered these recommendations and gradually implemented things in accord with the economic situation. It can be seen that the Ministry of Finance and the Bank of Thailand have implemented various financial and monetary measures. Concerning revenues, or the government's financial position, the Ministry of Finance has implemented measures to reform the tax structure, the tax rates and the tax base, improve tax collection administration and increase efficiency in collecting taxes. In particular,

in 1982, measures were implemented twice. In 1983, there was a major reform of the tax structure at the end of the year. The purpose was to lower the budget deficit to a more suitable level, that is, approximately 3 percent of the national income. Besides this, another goal of this tax reform was to help protect domestic industry in order to facilitate and provide services for exports in order to bring in foreign currency.

At the same time, on the monetary front, the Bank of Thailand is monitoring and controlling credit expansion, the money supply, interest rates and credits for imports and exports so that things move in the desired direction.

Thus, the measures implemented by both the Ministry of Finance and the Bank of Thailand should help improve the government's economic position and the country's balance of trade and balance of payments situation and increase the stability of the baht.

[Question] In 1984, what policies will the Ministry of Finance implement? What financial and monetary targets have been set?

[Answer] In 1984, the Ministry of Finance plans to implement monetary and financial policies that are in accord with the improving economic situation. We will try to have the recovery proceed without stop from last year. Besides this, we will try to monitor the balance of trade, balance of payments and foreign currency reserves situation to keep these at an appropriate level. We will consider promoting and protecting domestic industry as necessary. An effort will be made to reform the domestic tax structure so that the tax burden is appropriate and fair.

On the financial front, the 1984 budget calls for expenditures of 192 billion baht. Revenues will be 160 billion baht. Thus, the deficit will be 32 billion baht. These revenue and expenditure levels are thought to be in line with the expansion of the economic system. As for this deficit of 32 billion baht, the Ministry of Finance feels that this is acceptable. That is, an effort will be made to keep public-sector loans from affecting private-sector credit expansion or the monetary liquidity of the private sector. As for expenditures, the Ministry of Finance, in coordination with other government sectors, is monitoring things and stipulating types of expenditures that will bring beneficial results. Another goal is to have expenditures benefit the employment of laborers. As for revenues, even though measures have been taken to increase revenues by 6 billion baht in addition to normal revenues set at 154 billion baht, efforts are being made to reform the tax structure, with the emphasis placed on efficiency in collection of taxes. And the Ministry of Finance has implemented measures to raise an additional 9 billion baht using the tax reform measures implemented on 29 November 1983. In doing this, consideration was given to the losses that would be sustained concerning ore fees, rice premiums and duties on rice exports and to the environmental policies on energy conservation, with losses calculated at 3 billion baht.

[Question] On the monetary front, what measures have been implemented?

[Answer] On the monetary front, the government has implemented more measures to control import credits. At the same time, it has asked the commercial banks to limit credit expansion in 1984 to 18 percent, with expansion limited to 9 percent in each 6-month period. In the public sector, an effort will be made to keep budget expenditures in line with revenues. Also, the [public sector] will try to borrow as little money as possible. At the same time, the government will make a special effort to promote exports by expanding export service credits.

It is thought that the various policies will keep our international reserves at a more stable level. The GNP should expand by 6-6.5 percent this year while the cost of living index should rise only 5 percent.

11943

CSO: 4207/107

EDITORIAL PROTESTS JAPANESE LOAN CONDITIONS

Bangkok MATICHON in Thai 28 Jan 84 p 4

[Editorial]

[Text] Although the Communications Minister's request that that part of the Japanese loan of 100 million baht, which is to be used for the design of Laem Chabang Port, not be used was rejected by the Committee on the Development of the Eastern Seaboard at its latest meeting, the statement made by the committee's secretary indicated that the committee agreed the request by the Minister of Communications was a good thing in principle. But the committee could not approve his request at this juncture because our government has made a commitment to the Japanese Government; and if some changes are made to that small port, the committee is afraid that they would affect the project as a whole.

The request of the Minister of Communications are made along these two lines: First, in searching for a loan for one project or another, the government should look for many sources, and not commit itself to one particular source and then lock itself out from other sources entirely. Second, the minister's request has revealed the fact that borrowing money from the Japanese has set forth many binding conditions; whatever we do we have to report to and ask for approval from the Japanese every time. This shows that the Japanese intend to control and protect their interests with special intensity.

Regarding the sources of loans, it can be seen not only in the eastern seaboard development project, but also in the exploration and drilling of oil that our government is pressured and bound by its party to the loan contract in such a way that our government is at a disadvantage. It has turned out that the company which explored and drilled for oil is an American company. The company which estimated the amount of oil is also American. In this kind of situation, it is easy for there to be a collusion and a presentation of suspicious figures that we ourselves cannot verify. These are lessons that have occurred so repeatedly there is almost no correction and improvement.

As for matters relating to international economics, on the surface assistance might appear good, but if we dig deep down to the core we will see self-interest imbued in it. It is difficult for there to be a true "pious saint" in the cycles of these things. The important clue for finding out is

how well the government knows and tries to protect the interests of the Thai nation and Thai people. In the past, we have entered into contracts in which we have been taken advantage of either because of lack of reliable data, because of the short-sighted vision of those who look out for their own immediate interests, or because of political pressure. All of these are invaluable lessons. The Communications Minister's expression is not only a bold summary of the lessons, but also an expression of a principle to which the government should seriously adhere; it should not be just rhetoric meant only to soothe, it should be practiced in reality.

12282

CSO: 4207/79

CHIT FUND BUSINESS OPERATIONS DESCRIBED

Bangkok BANGKOK POST in English 25 Mar 84 p 7

[Article in the "Talking It Over" column by Sunissa Hancock: "High Risk and High Return"]

[Text]

It was discussed, proposed, rejected and then shelved back in 1979, but today, another proposal to legislate the chit fund business is in the headlines again. Not surprisingly perhaps, for the recent collapse of a number of chit fund companies has made people in authority — already nervous following the collapse of several finance companies last year — even more nervous.

The result has been calls for legislation to control the activities of these companies — both in order to protect the interests of the public and to call a halt to this activity within a couple of years.

Acting as the prime movers behind these calls are the Commerce Ministry and the Interior Ministry — the former because the chit fund companies are registered with it, and the latter because the collapse of any chit fund company could lead to internal unrest.

It was the Commerce Ministry, which, back in 1979, proposed a bill which was aimed at restricting the operations of chit fund companies and commodity exchanges. Under the proposed bill, any companies involved in these operations would have to be registered and receive licences from the Government, so that their operations could be "properly" controlled. This way, the Commerce Ministry said, the public could be protected from possible financial damage which could occur as a result of the lack of controls on these businesses.

It was estimated by the ministry at that time, that there were some 51

chit fund businesses operating in the country — an estimate based only on the companies actually registered with the ministry as chit fund companies and not including others which carried out the same activity but under another guise. There were also some 185 applications by companies wishing to engage in this business, for reports that licences might be required in order to carry out this business in the future had led to a large number of people rushing to put their applications in.

As it turned out, the bill was withdrawn by the ministry following heavy attacks by politicians who claimed that it was impossible to have just the one bill to control such diverse operations as chit funds and commodity exchanges. They charged too, that the awarding of licences for the chit fund business would accomplish little except provide an opportunity for money to pass hands in an effort to obtain these scarce licences.

The ministry then decided to separate the bill into two bills, and a proposed bill covering the operations of the chit fund companies was discussed intermittently with the Finance Ministry, the Bank of Thailand and the Interior Ministry in the three to four years since then. That nothing has emerged until lately is because few regarded this matter as being urgent — and in view of the large number of bills awaiting Parliamentary sessions each year, it tended to be put aside.

Now that it has been made obvious that the public is getting hurt by some of these chit fund businesses,

STOCK MARKET

NEW YORK

	Prev.	Fri.					
ACF Ind.	48-7/8	48-7/8	Englbre Cp	32-1/2	31-1/8	Newm Min	51-1/2
Alcan Alu	33-3/4	34-1/8	Phibro-Sal	30-7/8	30-1/2	N. L. Ind	15-1/4
Allg Incl	24-3/4	24-5/8	Exxon	37-5/8	36	Ohio Ed	12-1/4
Allied Cp	52-3/8	51-3/8	Firestone	17-3/4	17-5/8	Olin	26-3/8
Allied Str	40-5/8	40-3/8	Fluor Cp	21-1/4	21-3/8	Owens-Ill	35-5/8
Allis-Chal	12-3/8	12-5/8	F M C Corp	42-3/4	42-3/4	Pac Gas El	13-1/2
Alcoa	41-1/8	41-1/8	Ford Motor	35-1/4	37-1/8	Pan Am Air	6-3/4
Amerad Hes	30-1/8	30-1/4	Frpt McMor	24-3/8	24-3/4	Pepsico	36
Amer. Corp	33	33-1/4	Frushauf	38-1/4	38-7/8	Pfizer	34-7/8
Am. Brands	55-5/8	56	G A F Corp	16-7/8	16-3/4	Phil Dodge	25-7/8
A B C	54	54-7/8	Gen Dynam	46-1/8	45-3/8	Philip Mor	66-3/4
Amer Can	47	47-1/8	Gen Elec	51-3/4	52-1/8	Phil Pete	38-5/8
Amer Cyan	47	46-5/8	Gen Foods	48	48-3/4	Pittston	14-5/8
Amer Elect	16-3/4	16-5/8	Gen Inst	24-1/8	23-1/4	Polaroid	28-3/8
Am. Express	30-3/4	30-3/4	Gen Motors	64-1/4	65	Proct Gam	47-1/2
Am. Hme Prd	51-3/4	52-1/8	Gen Pub Ut	8	7-3/4	RCA	30-3/4
Ammax	25-5/8	25	GTE Corp	38-1/4	36-1/2	Raytheon	35-7/8
Am. Motors	5-5/8	5-1/2	Gen Tire	33-3/4	32-7/8	Repub Sil	30
Am. Nat Res	47	47	Getty Oil	Untraded	Untraded	Revere	Untraded
A T T	15-3/4	15-5/8	Gillette	48	47-1/2	Revlon	29-3/4
A M F	13-1/4	13-3/8	Goodrich	32-5/8	32-1/2	Reyn Ind	54-3/4
Amstar	Untraded	Untraded	Goodyear	26-1/8	26-1/8	Reyn Metal	35-3/4
Armco Inc.	18-3/4	19	Grace W. R.	40-7/8	41	Rich VK	28-3/8
Asarco Inc.	31-1/2	31-3/8	Greyhound	25	25-3/8	Rohwell	25-1/2
Atl. Rich	46	46-1/2	Grunman	22-5/8	22-5/8	Royl D Pet	50-1/4
A V C O	24-1/4	24-3/4	Gulf Oil	75-3/4	75-3/4	S Regis	40-3/4
Avon Prod	23-7/8	23-1/2	Gulf Res	21-5/8	21-5/8	S Fe Ind	Untraded
Bank Amer	20-5/8	20-3/4	Haliburton	41-3/4	41-3/4	Seagrams	34
Bell How.	22-1/8	21-3/4	Hercules	32-7/8	32-7/8	Sears Roe	32-1/4
Bendix	Untraded	Untraded	Honestake	32-3/4	32-3/4	Shell Oil	57-5/8
Beth Stl	27-1/4	27-1/4	Honeywell	54-3/4	54	Shell Tr	37-1/8
Boeing	38	36	IC Indus	44-1/4	44-3/8	Singer	24-1/2
Borden	53-1/2	53-1/4	Inger-Rand	48-3/4	48-3/4	S Cal Edl	36-3/4
Borg War	19-1/2	19-3/4	Inland Stl	28-1/8	28-1/4	Southern	15-3/4
Bristol My	44-7/8	45-1/4	Inalco	15-1/2	15-5/8	Santa Fe	24
Brunswick	24-3/4	25-7/8	I B M Corp	112-3/4	112-1/4	Norfolk	58-7/8
Bunker Ran	Untraded	Untraded	ICN Pharm	6-3/4	6-1/2	Sperry Cp	42
Burlin Ind	28	28-1/4	Intl Harv	8-3/4	8-3/4	St Oil Cal	33-3/4
Burroughs	48-5/8	48-5/8	Inco	13	13-5/8	St Oil Ind	53
Cam Soup	60-1/2	60-3/8	Intl Paper	56-5/8	56-3/4	S Oil Ohio	44-1/2
Can-Pacifi	35	34-1/2	I T T	59-3/4	40-3/4	Steril Drug	25-3/4
Caterpillar	49-1/8	49-3/8	Ilex	Untraded	Untraded	Sun Co	53-1/4
Celanese	71-3/4	71-5/8	Levi Strau	36-1/4	35-7/8	Talley Ind	11
Cert-Teed	17-5/8	17-3/8	Manville	11-1/8	10-1/8	Tenneco	40-1/8
Chase Man	49-5/8	49-1/2	John & Jhan	33-3/4	33-5/8	Texas	39-7/8
Chrysler	26-1/4	27-1/8	Kaiser Alu	19	19	Texas Inst	134
Citicorp	34-3/8	34-3/8	K Mart	30-5/8	30-1/4	Texas Ut	23-3/8
Clark Eap	32-3/4	33-1/8	Kerr McGee	29-7/8	30-1/4	Timken	55
Clu Peabody	25-1/4	24-3/4	Dar & Kft	72-1/4	72-1/8	Transamer	23-5/8
Coca Cola	54-5/8	54-3/8	Libbey-Owe	41-5/8	42	Travelers	33-5/8
Colgate	22-7/8	22-3/4	L T V	16-3/4	16-3/4	Umc Ind	14-1/2
Colt Ind	47-1/4	47	Eli Lilly	62-1/4	61-5/8	Unilvr Plc	53-1/2
C B S	68-1/4	69-1/4	Litton	60-3/8	60-1/2	Unilvr Nv	83-1/2
Comw Ed	22-1/2	22-5/8	Lockheed	31-1/2	31-1/8	Union Carb	55
Comast Sat	24-7/8	24-3/4	Loews	199-1/2	201	Uncl Cp	34-1/4
Con Ed Ny	23-3/4	23-3/4	La Land Ex	28	27-7/8	Unroyal	13
Cons N Gas	37-3/4	36-7/8	Lukens Inc	14-1/8	14-1/2	United Brd	18-1/8
Contl Gp	33-3/8	33-5/8	Macy	45-7/8	45-1/8	United Tec	60-3/4
Contl Data	36	35-1/2	Mfrs Han	37	36-1/2	US Steel	30-1/8
Coring Gla	63	62-5/8	Martin-Mar	33	31-7/8	Warner-Lam	33-5/8
Cpc Intl	37-3/8	36-7/8	May Dpt St	46-7/8	46-7/8	Watn Union	26
Crane	33	32-7/8	McDonalds	66	66-5/8	West Ele	46-5/8
Crown-Zel	35-1/8	36	McDon Doug	50-7/8	50-1/4	Woolworth	32-1/8
C S X Corp	22-3/8	22-1/4	Merck	91-1/2	91-1/8	Xerox	41
Curtis-Wri	Untraded	40-1/2	Mgm Film	15	15-1/4	Zenith	28-1/4
Dar & Kft	72-1/4	72-1/8	M-M-M	74-1/4	73-7/8		
Deere	33-3/8	33-1/4	Mobil	30-1/4	30-1/8		
Digital Eq	90-1/2	90-3/8	Monanto	91-1/2	91-3/4		
Disney	61-1/2	63-7/8	Jp Morgan	68-5/8	68-5/8		
Dome Mines	15-1/8	15-1/4	Motorola	113-1/8	112-1/2		
Dow Chem	31-1/8	30-7/8	N C R	108-7/8	109-1/2		
Du Pont	48	47-5/8	Natl Dist	27-3/8	27-1/2		
East Air	5-7/8	5-5/8	Nat Gype	35	35-3/8		
East Kodak	56-1/8	63-7/8	Nat Steel	Untraded	Untraded		

Dow Jones averages

	Prev.	Fri.
30 Industrials	1155.88	1154.84
20 Trans	508.02	503.19
16 Unils	127.70	126.88
65 Stocks	454.48	452.67
N.Y. Stock Exchange Volume		79,760,000

LONDON

Industrials / Commercials

	Prev.	Fri.
Allied-Brew	176	175
Anglo Indonesian	170	176
Blue Circle	426	421
Babcock & Wilcox	191	191
Barclays Bank	504	509
Base Charrington	363	363
Beecham Group	325	326
BICC	260	265
B O C Int'l	292	287
Boots Pure Drug	172	169
Bowater Paper	275	278
Brit Am Tobacco	206	204
Brit C wealth		
Shipping	9-7/8	9-3/4
Brit Petroleum	496	493
Brown (John)	21	20
Burmah Oil	192	193
Cadbury		
Schweppes	128	126
Coats Paton	112-1/2	114
Cope Alliman	98-1/2	99-1/2
Commercial		
Union Assur	187	191
Courtaulds Ltd.	148	150
De La Rue	640	645
Distillers Ltd.	268	266
Dunlop Hldgs	41	41
Fisons	795	774
Genl Intl	77	77
General Accident	493	486
General Electric	198	192
Glanco Hldgs	850	855
Granada 'A'	228	226
Grand Metropol		
Hotels	330	330
GT Universal		
Stores 'A'	675	675
Guardian Royal		
Exch Assur	555	558

Guest Keen & Nettlefolds	215	214
Guinness	160	161
(Arthur)		
Harrison & Crossfield	8-1/4	8-1/4
Haw Par Bros	87-1/2	86
Hawker Siddeley	432	434
HK & Shang-hai Bank	85	85
HK Land	36	36
Hoover	Deleted	Deleted
House of Fraser	262	260
Hutchison Intl	163-1/2	166
ICI	628	632
Imperial Groul	146	142
Inchcape	350	358
ICL	74	72
Jacks (William)	38-1/2	38-1/2
Jardine Math.	121	120
Legal & General	478	473
Lloyds Bank	572	577
London Brick	Unav	Unav
Lorrho	150	150
Lucas Ltd.	228	227
Marks & Spencer	267	266
Metal Box	336	332
Midland Bank	387	384
Nat Westminster	647	654
Ocean Transport & Trading	137	136
P. & O. Steam	316	314
Swire Pacific 'A'	180	187
Phillips Lamp	11-1/16	10-15/16
Plessey	240	238
Prudential	441	440
Rank Org 'A'	258	254
Reckitt & Colman	475	463
Reed Intl	420	414
Rio Tinto Zinc	679	677
Rothmans	131	127
Royal Dutch Pet	85-21/32	85-7/32
Royal Insurance	585	586

Shell Trans	656	653
Sime Darby	83-1/2	84
Brit Arrow	86	86
Standard & Chartered	557	554
Tat & Lyle	410	410
Thorn Electrical	691	684
Tube Investment	286	284
Turner & Newall	93	92
UDS Group	Untraded	Untraded
Ultramar	694	692
Unilevers Ltd.	948	945
Vickers	161	158
Wheelock Mard.	37	37
Woolworths (FW)	473	470

Mining / Commodities

	Prev.	Fri.
Anglo Am. Corp	19-5/8	19-5/8
Cons Gold Fields	624	624
De Beers Def	835 cts	825 cts
Drifefontein	836-1/2	837-7/8
Welkom Gold	13-5/16	12-15/16
Wests Deep	863	862-3/4
Ayer Hitam Tin	255	255
Hong Kong Tin	9-1/2	9-1/2
Kamunting Tin	215	215
Malayan Tin	88	88
Petaling Tin	300	300
Berian Cons		
Rubber	230	230
Consolidated Plant	96-1/2	95-1/2

Government / Stocks

	Prev.	Fri.
War Loan 3-1/2		
Pet	87-1/8	87-1/4
Treasury 8-1/2		
Pet 1984/86	97-5/8	97-5/8
Treasury 5-1/2		
Pet 2008/12	62-1/8	62-1/4

the Interior Ministry is drafting legislation to control this activity.

However, the aim of the bill it is drafting does not appear to be concerned so much with the controlling of these companies through registration and licensing of activities, but rather to call a halt to this activity within the next couple of years or so. A case of making companies already engaged in this business register as chit fund companies so that they can be controlled in some way for the duration of the fund. Once the existing funds expire however, they will have to cease business.

It is interesting to note, however, that while the Commerce and Interior ministries are working enthusiastically on this bill, both the Finance Ministry and the Bank of Thailand have kept a very low profile on this matter. They have expressed concern over the fact that chit funds have collapsed, but they have not come out in public to say whether the legislation as proposed by the Commerce and Interior ministries will solve this problem.

Why this is so, sources say, is because legislation to control chit fund operations is not, and cannot, be really effective, for effective legislation setting out responsibility for the fund would mean contravening the Finance Companies Act as these

companies would become defacto "finance companies". It would in fact, be "legitimising" what is at present, an informal, unorganised money market activity — an activity which is extremely widespread and therefore next to impossible to control.

Chit funds — or "pia share" as it is known in Thai — is an activity whose origins are obscure. It has however, been around for years and is indulged in by people across the full spectrum of society — from domestic servants to government employees to housewives to businessmen. The basic purpose of the chit fund, is to allow the participants to obtain a lump sum of money which they can then pay off in installments.

Bid

A chit fund comes into being when a group of people get together to set up a fund with each person contributing the same amount into the fund. This amount can vary from as little as a few hundred baht to tens of thousands of baht, with the total fund being as large or as small as desired since this depends purely on the number of the people in the group. If for example, 10 people get together with each contributing 1,000 baht a month, then this fund

will be 10,000 baht every month for 10 months. Which of the participants is to get the 10,000 baht in any one month depends on what they "pia" or bid — that is, the "interest" they offer each month — with the fund going to whoever offers the highest bid.

How the chit fund actually works is very simple. The group of people who plan to set up the fund appoint one of the participants as the "banker". This person is morally — though not legally — responsible for the collection of the money from each of the participants every month. In return for this responsibility, the "banker" is given the privilege of getting the use of the total fund in the first month — the 10,000 baht from the above example — without having to pay any interest on it. In the second month, the "banker" collects the 1,000 baht from each of the participants including himself, and this fund is then open to bids. The "banker", however, may not bid for this fund again as he has already had the use of the full 10,000 baht once already, and no one in the group may get the money more than once. The remaining nine participants "pia" or bid, and whoever puts in the highest bid, gets the total fund. If, for example, the winner in the second month, bid 100 baht for the fund, then from the next month on, until the chit fund comes to an end in the tenth month, he will have to contribute 1,100 baht each month to the fund. If the winner in the third month bid 120 baht, then he will have to put in 1,120 baht each month from the fourth month until the end. If the winner in the fourth month bid 80 baht, then he will have to contribute 1,080 baht each month from the fifth month until the chit fund comes to an end.

And so it continues, with the banker having to keep records of how much everyone bids, making sure that each of the participants pays in the correct amount and then giving the total amount over to the "winner" each month. If all goes well, each of the 10 people get a lump sum of money once in the game, and they pay this off during the rest of the time. Those who need money urgently, tend to put in high bids early in the game, while those who don't, sit back and collect the interest later in the game.

The success of the game depends on how well each of the participants knows and trusts each other, for each have to trust the others to continue

making the payments after they collect the total fund. This is usually why this game will be played only between friends or colleagues or people who see each other every day.

Sometimes, however, the game comes to an abrupt end when one of the participants disappears after collecting the total fund. What this means is that those people in the group who have yet to win the bid for the fund not only lose their opportunity to get the use of a lump sum of money since the circle has been broken, but they also lose all the contributions they made previously. Whether they lose it entirely or not depends on the "banker" who has the moral responsibility for seeing that the game is played to its conclusion. Some "bankers" pay the loss out of their own pockets, but others accept no responsibility.

This method of raising money has been used informally in Thailand for years, but it was only about five or six years ago that chit funds began moving out of the informal settings of homes, offices and car parks into the realms of big business. Chit fund companies were set up, with the company inviting the public to participate in the game. The groups were frequently very large — for the larger the group, the bigger the fund — and the participants often strangers to each other. In these cases, the company concerned acted as the "banker" — though again it had no legal responsibility for the money. It couldn't, for while chit funds are not against the law, it would have been against the Finance Companies Act for the company as such to accept "deposits" and "lend" money out.

Basically, that is exactly what the companies were doing — acting as a type of finance company — but it was able to clear this hurdle by not doing this formally. All it did, was provide the premises for a group of people to get together each month to play the chit fund game — something which meant that not only did it not contravene the Finance Companies Act, but it had no legal responsibilities either if any of the participants disappeared for whatever reason.

It was this informality which led to the outcry when the chit funds in the South and the Northeast collapsed earlier this year, for the participants discovered to their horror, that there was no responsible party they could appeal to, or sue, for their money back.

Just how widespread chit funds are is something no one knows with any

degree of certainty, for the informality of the game makes this information difficult to obtain. What is known though, is that chit funds are an important supplemental source of funds for businessmen and traders who cannot obtain all the funds they need from the organised money market — the finance companies and the banks — for whatever reason. This is particularly true in upcountry areas where chit funds play a very important role in the cash flow position of businesses — a case of the chit fund, the unorganised money market, being superimposed on the organised money market.

Dependence

According to the best estimates of people who have looked at this matter, the dependence of businessmen and traders in upcountry areas on such things as chit funds have declined somewhat over the last 20 years. At that time, it was estimated that dependence on the organised money market such as the commercial banks and finance companies, was less than 50% with the larger part of the need for funds having to be met through the unorganised market. Now, it is believed that the organised money market accounts for between 60-65% of these needs while such things as chit funds account for the remaining 35-40%. A very significant amount still, which is why the recent collapse of chit funds in the upcountry areas earlier this year were cause for concern.

It is believed that the tightening of credit earlier this year by the commercial banks played a significant role in this debacle, for many of the upcountry businesses are not as professionally run as they should be. There is little planning for rainy day, so that when their credit was abruptly tightened as it was, these businesses found themselves with a critical cash flow shortage.

Usually stretched to the limit anyway, many businessmen who play the chit fund game — for very large amounts — suddenly found that they no longer had the money available for them to continue doing so. The result was that the unorganised money market — which has little stability at the best of times — collapsed like a pack of cards with participants in chit funds not having the money to continue on with the game and so disappearing.

The repercussions from this is not limited to just the participants of the game, for the organised money market is affected too. Banks and finance companies which have loaned funds to these businesses are now concerned as to whether the businesses are going to survive or collapse, for a collapse means that their loans will not be repaid. For the moment, no one has a very clear idea as yet as to how serious the problem is, but they are concerned.

The authorities in the form of the Commerce and Interior ministries have reacted by proposing legislation to control this business, but there is some scepticism as to whether this legislation will in fact do any good in the future.

As it stands, the legislation is something of a paper tiger, for it does little except demand that chit funds involving over a certain number of people and involving funds above a certain amount, have to be registered. The understanding is that once the cycle of these registered chit funds is completed, no new chit funds will be allowed to be set up.

There are many who disagree with this proposed legislation for they feel that it will not stop the chit fund game. It will merely mean that a larger number of smaller funds will be set up instead. More importantly perhaps, their objection lies in the fact that the registration of these chit funds will remove this game from its informal setting to one which, in the minds of the public, has the seal of approval from the Government. This they argue, is psychologically dangerous, for the public could well regard this registration as being a government "guarantee" in much the same way as people who place their funds with a finance company feel that the Government "guarantees" these companies.

What makes this particularly dangerous, they argue, is that while the public might have the idea that there is someone responsible for this fund, this is in fact, a mistaken idea. There is still no one legally responsible for it — not the company, not the Commerce Ministry, not the Interior Ministry.

The legislation cannot make the company legally responsible for the fund, for this would mean that the company is accepting deposits and lending money — an activity which can be done only by finance companies and commercial banks. If the legislation did try to do this, then what it would be doing is creating a "third class" finance company —

something which neither the Finance Ministry nor the Bank of Thailand would permit, especially since the very nature of the chit fund is one of high risk. And high gain too, for the interest participants earn from this game are well over the legal limits. By permitting the payment of these high interest levels, the company — if it is legally responsible for the operations of the fund — would be contravening all the regulations concerning financial institutions.

The question that has to be asked at the moment is why have any legislation if the proposed legislation is to be so limited. The false sense of security that this would give to what is a very risky activity might in fact lead to worse repercussions that if this activity is allowed to continue in the informal manner it has been conducted in the past.

CSO: 4200/660

NEW FORCE PARTY CHIEF NOTES PLANS

Bangkok THE NATION REVIEW in English 24 Mar 84 p 14

[Text]

THE NEW FORCE (Palang Mai) Party, without a single MP and without a permanent party leader, continues to struggle on in the local political scene, at the risk of sliding into oblivion. Once the hopeful, guiding beacon of the "angry, young men" of the early 70s, the New Force Party is today a party without a helm, a political grouping without a clout.

But acting leader, well-known singer and former MP from Nakhon Ratchasima Suthep Wongkhamhaeng, vowed this week that he will continue to "carry the torch" of the party although he admitted that he couldn't see the light at the other end of the tunnel either. But Suthep appears determined nonetheless to go on with the show.

In fact, he tried hard to inject some semblance of organization in the party by announcing that the campaign for the next elections has in fact begun — with the party's members going out to visit villagers regularly.

"We are vigorously trying to organize a nationwide system of party branches so that we could come up with a system to select candidates with quality for the next elections, whenever they are

held. I say this mindful of the fact that the party's hopes in any future election may be dim," Suthep said.

The party has gone through some traumatic experience. The latest severe blow probably came when Somwang Srichai announced his resignation from the party's leadership, citing his desire to pursue his personal profession. His decision to call it quits cast doubts on the future of the party which was already wrecked by the deteriorating position.

The party was set up in 1975, soon after the Oct 14, 1973 Student Uprising, under the leadership of Dr Krasae Chanawong, a Magsaysay award winning doctor who was reluctantly brought in to head the party despite his lack of political experience. Dr Krasae, hailing from Khon Kaen, later resigned the party's leadership after the party's decline began. When New Force was first formed, it represented the conscience of the then young people's ambition ready to see changes in the country's social and political routine. It won a high popularity rating among students and young people. In the first general elections in 1975, New Force managed to get nearly

20 seats in the House. But in 1979, the party, due to the lack of proper organization and leadership, managed to win only three seats. In the latest April 18, 1984 elections, the party failed to get even one seat. The Constitution specifies that a party with fewer than 20 seats in the House could not propose bills. That virtually crippled New Force and whatever it once represented.

Suthep said that the party's decline in 1976 was due mainly to the unfounded accusations from some parties that the party was sympathetic towards socialism and communism. "Also, in that election, a lot of money was dumped by major parties to buy votes. We had no money and didn't know how to buy votes suffered tremendously," Suthep said.

But he said he would not give up. It might be a long tough path towards a revival, but Suthep said that although the party could not play any active role in Parliament because there is not a single New Force MP there, "we have been trying to play a role outside Parliament. We have, for example, issued statements to express our stand on such important issues as paddy price etc. We have also been visiting villagers regularly to restore confidence in the party."

Suthep admitted that the main problem remains within the party itself. "The vital obstacle is the question of

idealism among party members some of whom might leave us simply because they disagree on certain issues. Others have cited personal problems. Only common ideals could make us survive as a party. Everybody must seriously sacrifice for the party," he said.

The party, he said, will pick a new executive committee in the next two months. But it appears a formidable task to pick a new leader.

Suthep said he would be ready to be party leader if party members so decide. "My present post as secretary general to the party should prove no problem because my deputy, former MP Pongsak Panyachiva, could take over from me there," he said.

The first party leader, Dr Krasae, won't return to the executive committee, Suthep believes "since Dr Krasae is pretty busy now with his primary health care work, and he doesn't want to get involved in politics." Dr Prasarn Tangchai, formerly an active party executive, has also said he would like to pursue his personal profession.

New Force now have five branches throughout the country — in Chiang Mai, Nakhon Ratchasima, Khon Kaen, Nakhon Si Thammarat and Saraburi, with total membership of about 20,000, according to Suthep who, despite his enthusiasm, realizes that the task ahead is more formidable than he thinks.

COMPUTER IMPORT DUTIES CUT

Bangkok THE NATION REVIEW in English 26 Mar 84 p 9

[Text] THE government has agreed to reduce import duties on computer, component and software by 10-20 per cent to promote the use of computer in business and industry and boost the competitiveness of Thai products in international market, well-informed sources told The Nation at the weekend.

The duty cuts were decided in a recent meeting of the Customs Tariff Committee chaired by Finance Permanent Secretary Dr Panas Simasathien following a joint request of the Board of Trade of Thailand, Association of Industries and Thai Bankers Association.

It took several months for the committee to conclude tariff classification to determine which computer and component should be subject to reduction.

Well informed sources said that the committee decided not to reduce import duties for videogame machines and their component so that tariff cuts will benefit products for useful purposes.

The sources said that the import duties would be cut from 30 per cent to 20 per cent for complete computer units, peripheral devices, disk drive, magnetic tape drive, printer, visual display unit. The cuts apply to brand new and used ones.

Components of computer for local assembly and spare parts will be subject to only 10 per cent import duty. The include printed circuit board, integrated circuit, micro processor keyboard, visual display unit, drive mechanism, and magnetic tape drive.

There is no specific rate for software products but some of them are subject to as high as 100 per cent import duties. The committee decided that the rate should be 20 per cent for programmer, diskette, cartridge disk or digital optical disk or magnetic tape.

However, the sources said that if import prices include the fee for patent or copyrights, the amount will be subject to import duties to be assessed separately.

It is expected that the committee will seek Cabinet endorsement before the enforcement.

The Association of Thai Industries has formed a working group comprising representatives from various sectors such as traders, producers, academics legal experts and the Computer Association of Thailand to work out the proposal for import duty reduction.

The three private institutions want the government to set reasonable duties for computers so that they can be used in increasing the efficiency in business operations such as product development.

The reduction will encourage investment in computer assembly and production of parts and components for domestic use and exports. At the same time, computers can be used in educational institutions for training and producing computer personnel.

CSO: 4200/660

THAILAND

EDITORIAL CALLS FOR SUPPRESSION OF ARMED MINORITY GROUPS

Chiang Mai THIN THAI in Thai 15 Feb 84 p 3

[Editorial: "Muser Bandits"]

[Text] The Police Department has said that the crime rate in the country has declined because of the resolute action taken to control crime. But now Muser bandits have become active.

This group of Muser bandits claims to be a Lahu self-defense army. They dress in uniforms and carry weapons just like soldiers. The Musers use the word "Lahu" in referring to themselves. But Thais prefer to call them Musers. If the word "Lahu" was used, few [Thai] people would understand which hill tribe group was being referred to.

By chance, the Chinese New Year celebration and the Flower Festival of Chiang Mai Province coincided [this year]. Many tourists from other provinces came to Chiang Mai. Some did not go into Chiang Mai City but went touring in jungle areas. One group went to Doi Ang Khang, a highland area where there are lovely flowers. Instead of going by bus, they walked in the company of a guide; which was probably more fun than riding in a bus since these were all young people. Not long after they went into the jungle, they were seized by Musers in uniform and held for ransom. The ransom was initially set at 500,000 baht, but this was later reduced to 200,000 baht. Their relatives raised the money, but the people were not released. The bandits took them deeper into the jungle since they were afraid of the police. Finally, on 12 February, the eight people were freed. It isn't known whether the 200,000 baht was paid or not.

This action by these Muser bandits is an insult to Thai laws and to the guardians of the public peace. There are several points to be made about this. First, instead of conducting themselves in a proper way, hill tribesmen who have settled down in Thailand have acted like bandits. Second, these people wear uniforms and carry weapons like soldiers. This is tantamount to violating Thailand's sovereignty.

The Thai people are the masters of the country. Only Thai soldiers have the right to carry such weapons, and they do so only when on an official operation. They cannot carry them for fun while out walking along the road or in the jungle. If they use their weapons to menace tourists, they are guilty of a crime. Thais who carry just ordinary weapons, not military weapons, are frequently arrested. Thus, the Muser bandits who act like this must be completely suppressed. Otherwise, if one hill tribe gets away with this, other hill tribes may follow suit. In the end, those who enter our country dressed in uniforms and carrying weapons will take over the area, just as happened in South Vietnam. Those in uniform will divide into various groups and carry weapons. In the end, the country will fall apart.

It is hoped that government officials don't ignore this matter or allow those who have entered the country to enjoy more rights than the Thai people, the masters of the country.

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CSO: 4207/111

EDITORIAL WARNS BURMA ON BORDER SITUATION

Tak MAHARAT in Thai 16 Feb 84 pp 3, 10

[Editorial: "The Border Problem In Tak Province"]

[Text] Tak Province is located in the western part of Thailand's northern region. It shares a 600-kilometer border with the Socialist Republic of the Union of Burma. The province is composed of Tha Song Yang, Mae Ramat, Mae Sot and Umphang districts and Phop Phra Branch District. The Moei River serves as the border demarcation line. Minority groups that are opposing the Burmese government operate all along the border area. In particular, the Karens frequently have disputes with the Burmese government. There are frequently clashes all along the border from Mae Sot District to Tha Song Yang district. The exception is the area across from Ban Rim Moei in Tha Sai Luat Subdistrict, Mae Sot District, which is where the city of Myawadi is located. There is a force of Burmese troops stationed there to fight these minority groups, including the Karens, Mons, Shans and several other hill tribe groups. The Burmese government considers these people to be rebels who must be completely suppressed since these minority groups want to separate [from Burma] and have administrative freedom. They regularly clash with Burmese officials. In some cases, the fighting spills over into Tak Province in Thailand. Also, in fleeing the suppression operations of the Burmese officials, these people flee into Mae Sot and Tha Song Yang districts. This causes problems for Thai officials. We have to expel them from Thailand, and this could harm the good relations between Thailand and Burma. That is, Burma might mistakenly think that Thailand is supporting these minority groups. Actually, it is not the Thai government's policy to support anyone except to be friends with all countries in the world. But border problems arise very frequently in Tak Province. It's not just the fighting between the Burmese government and the Karens that has resulted in shells landing on the Thai side, which has resulted in many Thai citizens being wounded and much of their property being damaged. The Burmese and Thai governments have frequently had disputes about the border. The Burmese government has built retaining walls in the Moei River. This has resulted in the Moei River changing course and eroding the bank on the Thai side. Also, the deep-water part of the river has moved closer to the Thai side. Thus, Thailand has lost

land. Because the border demarcation line agreed on was the deep-water part of the Moei River. But at present, the Thai government is taking careful and appropriate action to revise this. Besides this, all of the border districts have economic problems. Whenever some problem arises, the economy suffers since the trading between the Thais, Burmese and Free Kanens comes to a stop. This has a great effect on the economy of the border districts.

"Thai territory belongs to Thailand only. If someone violates our sovereignty, the Thai people are ready to give their lives."

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CSO: 4207/111

VIETNAMESE REFUGEES JOIN PARAMILITARY UNITS

Bangkok MATICHON in Thai 28 Jan 84 pp 1-2

[Text] The Vietnamese refugee problem has encumbered many governments in the past. Today, many problems have decreased in their intensity. Many officials responsible for the Vietnamese refugee affairs have said with the same voice that the Vietnamese refugee movement against our national security is almost nonexistent, unlike the past. The Vietnamese refugee leaders' roles have lessened; their organizations have weakened.

Pol Lt Col Thongplew Phaengkham, head of the Sakon Nakhon's Office of the Vietnamese Refugee Affairs, said that at present the Vietnamese have been giving a lot better cooperation to Thai officials, especially since the beginning of Meet-the-Vietnamese-Refugee Program in 1982, as planned by the Second Army Region.

The reasons for the decrease in the severity of problems result from many factors: 1) almost all of the radical Vietnamese have died; 2) the Thai-born Vietnamese are beginning to think like Thais more and more; and 3) the government has adopted a new position toward them. For example, there is a regular meeting with the Vietnamese which is a program for the masses that is rather effective.

Another interesting program for the masses is the village scouts training program for the Vietnamese refugees with a small number of Thais participating as part of the group. The village scout training programs have graduated two groups of Vietnamese refugees in Sakon Nakhon Province.

The head of the Vietnamese Refugee Affairs Office of Sakon Nakhon Province said that Vietnamese in Sakon Nakhon held that they were born in Thailand, and so when the authorities organized a training program for village scouts and the Vietnamese applied to the program, why were they not accepted, why did the authorities not allow them to be village scouts, while Indians, Chinese, and hill-tribespeople could become village scouts? The Vietnamese said they were loyal to the nation, but why were they left out? Mr Kawee Suphatheera, district officer of Sakon Nakhon, promised them that he would take up the matter with the governor of the province. When he and the governor agreed that there should be a village scout training program for the Vietnamese, they then asked the Office of Vietnamese Affairs to sound out the demands among all the Vietnamese.

The survey revealed that a great number of young Vietnamese men and women showed great interest in the village scout training program. Hence the birth of Group 1 of special village scouts, or the Nong Han Luang Group 1.

After the Nong Han Luang Group 1 training, which was held from 10-13 December, with a total of 122 Vietnamese--94 men and 28 women--taking part, there was another special group of Vietnamese village scout 13 days later. This group was Nong Han Luang Group 2, in which there were 97 Vietnamese men and 32 women taking part.

"Most of the Vietnamese who received the village scout training were in the 20-30 age bracket; they were Vietnamese children born in Thailand. The youngest Vietnamese to have received training was 13 years old, the oldest 65," said one of the officials responsible for the training of village scouts.

Miss Tran Ho Thi, a young Vietnamese woman, who completed the village scout training program in Group 1 told MATICHON that there was no recruitment for the training. It is all based on the willingness of each individual, and she said it was the first step for Vietnamese born in Thailand to move into the mainstream of society.

"For so long we were prevented from stepping into the mainstream of society because the people were afraid to mix with us for fear that they would be watched. Even government officials would not try to be involved with us for fear that their careers would suffer," said Mr Tho Nguyen Du, an old Vietnamese bachelor.

For the training of these special groups of village scouts, the authorities had brought together a course for the village scouts and a course for the national volunteer defense force and mixed them together. The subject matter of the training ranged from the Thai scouts to world scouts; there was subject matter relating to the history of the Thai nation, there was training on patrol, there was training on adventure, and of course the thing that cannot be omitted, there was dancing, singing and music.

An official who was the trainer of the special group of village scouts said that in the training of these Vietnamese village scouts the authorities put emphasis on patriotism for the nation and the land in which they were born, on the democratic system of government, as well as on knowledge of the laws, such as the laws on national security and traffic laws.

"Our training of the special groups of village scouts has produced very good results. If we were to look at it in terms of percentage, it is in the 90 percent range. This training program is much more effective than the programs of meetings with the Vietnamese refugees. This is because in this program, we have time to interact for 4-5 days both during the day and at night. We have reported this to the Second Army Region last 12 January," said Police Lieutenant Colonel Thongplew.

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CSO: 4207/79

THAILAND

COLUMNIST CONCERNED OVER PRC, U.S. POSITION ON CGDK

Bangkok DAILY NEWS in Thai 28 Feb 84 p 3

[Around the World column by "Commander": "Don't Become Overly Dependent on Them"]

[Text] During the past 2-3 days, several important people have visited Thailand. The first was Mr Wu Xuequian, the Chinese minister of foreign affairs. Before coming to Thailand, he visited Burma. He has now left for Malaysia.

Another important visitor was Mr Kenneth Dam, the U.S. deputy secretary of state. Both of these men had a chance to talk with Air Chief Marshal Sitthi Sawetsila, the Thai minister of foreign affairs.

I view this as important because both China and the United States feel that they are involved in the Kampuchean matter, in which Thailand is deeply involved.

The latest reports state that the Khmer coalition, of which Prince Sihanouk is the head, has scored several consecutive victories and that they have attacked Vietnamese bases in several large cities in Kampuchea. Concerning this, news sources in diplomatic circles, the Thai military and Kampuchean soldiers who participated in the fighting all say that these attacks did take place.

The fact that Chinese and U.S. officials have come here at this time is considered to be of great importance for finding a solution to the Kampuchean problem in the future. Because if China stops sending military assistance to the Khmer Rouge and stops sending weapons to the other Khmer groups, regardless of whether it is Son Sann's or Sihanouk's group, it would be difficult to fight Vietnam.

As for the support provided by the United States, it must be admitted that this support is very important. And we benefit, too.

I agree with Mr Sitthi Sawetsila when he said that Thailand is of great strategic importance. Because Soviet and Vietnamese expansion can be stopped only in Kampuchea. And to do this, the United States must provide us with more assistance in defending the country, just as is the case in Pakistan, which is now blocking the Soviet Union, which is in Afghanistan.

As for whether they discussed the purchase of F-16 aircraft, I cannot speculate. The Chinese foreign minister came to discuss the Kampuchean matter with us. The progress in the situation in the present period requires that we exchange ideas, particularly concerning China's future attitude toward Vietnam.

There is now talk and many people believe that if the present military situation has changed to the point where the Khmer resistance forces can make such bold attacks, Vietnam will not be able to respond like before and launch an attack to wipe out the resistance. [If this is true], I think that Vietnam will definitely have to negotiate with ASEAN about the Kampuchean matter. As for what the details of the agreement will be like, we will have to wait and see.

China has an important role in this. Because in improving relations with the Soviet Union, one of its conditions is that the Soviet Union stop helping Vietnam wage war in Kampuchea. If it does not, [China] will quit the negotiations on improving relations.

As for the United States, it probably isn't necessary to say much. Since more and more Soviet warships are active in this area, it has to play a greater role to compete [with the Soviets]. Even if its policies do emphasize the Middle East, the Persian Gulf, Central America and Europe more than Asia, it must still come play a greater role here than is the case at present.

It must be recognized that whenever a small country such as Thailand implements a foreign policy, it must take a long look to both the left and the right. But before we start relying too heavily on them, we must think about what to do to prevent this. The example of Lebanon, about which I have written, is fresh for us to see.

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CSO: 4207/109

THAILAND

RTN CINC DISCUSSES BOAT REFUGEES, BUDGET

Bangkok SU ANAKHOT in Thai 26 Feb-3 Mar 84 pp 14-17

[Interview with Admiral Praphat Chanthawirat, the RTN CINC: "The UNHCR Has Harmed Us"; date and place not specified"]

[Excerpts] [Question] What are the most important obstacles that the navy is encountering in defending our territorial waters?

[Answer] There is only one obstacle and that is that we don't have enough ships. This has been the case ever since the navy was established. We aren't given enough money to build the naval force that we want. At present, things are becoming even worse since a new warship is very expensive. Also, the equipment is very expensive. We try to make the best use possible of the money that we receive. We try to purchase the best equipment available at the lowest price possible. There is no problem with repairing and maintaining things afterwards. We are doing the best we can with the money allotted to us. We have not made repeated demands since we know that the government has many responsibilities and has to allot money for many things. In particular, national development activities on the economic and educational fronts are just as vital as activities on the military front. We are well aware of this. Thus, we have not asked for more than what is appropriate. As for the money that we are allotted each year, we try to use it in the best way possible. I think that we are doing our duty. And we are trying to strengthen our forces as much as we can. As for old equipment that is still usable, we try to repair it so that it can be put to use. What is no longer usable is decommissioned. There is only one problem. Since the navy was first formed 100 years ago, the only problem has been the budget.

[Question] How much was your budget last year?

[Answer] It was approximately 6 billion. I can't remember the exact figure.

[Question] That is much less than the army's budget.

[Answer] Talking about the number of personnel, the army has many more men than we do. And their sphere of operations is much greater than ours. We carry on operations with warships, but the army carries out its work with men. And their weapons are different from ours. At present, it must be remembered that the manpower factor is very expensive. Salaries must be paid, and barracks have to be built. After 2 years, privates leave the military and so there are already barracks [for the next group of privates]. But non-commissioned officers and officers need housing. Besides this, they are provided with medical benefits just like other government employees. And there are all the other benefits that have to be provided. Thus, the manpower factor is very expensive.

[Question] Recently, there were reports that the UNHCR sent a letter to the prime minister stating that Thailand has been forcing Vietnamese boat people out onto the high seas.

[Answer] Concerning this, I would like the mass media to provide some help and help Thailand. That is, I feel that the UNHCR has more sympathy for Vietnam than it has for Thailand even though Vietnam has never acted in accord with the resolutions passed by the United Nations. The United Nations passed several resolutions calling on Vietnam to withdraw its troops from Kampuchea. But they have not done so. We have acted in accord with these resolutions. We were asked to help the refugees and we did so. They asked us to establish an anti-pirate unit, and said they would give us money to do this. And so we did this even though we have not received the money. That is, the truth is that they wanted us [to use the money] to purchase two boats. But we have had to use our own boats first. We have not been given the boats that they bought for us. They will be turned over to us soon. They gave us money to purchase three aircraft. We had to use our own aircraft first. The aircraft that they gave us were different from the type that we normally use and so maintenance problems arose. Thailand has constantly agreed to things and entrusted matters to the navy. But after doing things, nothing good has ever come of it. Whenever some minor matter occurs, they attack us. And they attack us publicly all over the world. I agree with the response given by the secretary-general of the National Security Council. But I don't think our response has been strong enough. I think that the UNHCR wants to be friends with Vietnam more than it does with Thailand even though Thailand has constantly sided with the United Nations and acted in accord with U.N. resolutions. Look, in the Phra Wihan case, we gave in and followed the regulations. But nothing has happened to those who have failed to act in accord with the regulations. The UNHCR cannot take any action at all against those who fail to follow the rules. Instead the UNHCR is pressuring those who have followed the rules.

If I had been the one to respond, I would have responded more strongly than that. I don't feel that this is just. Thais love justice. We like people who speak politely and with a sense of fairness. We don't like people to treat us like underlings. This is not right. If you go observe things at sea, you will see that the ocean is very big. The Gulf of Thailand

doesn't belong just to Thailand. Our territorial waters extend out only 12 miles from shore. Outside that limit is the high seas, where everyone has the same rights. But when something happens, we are blamed. We have taken in hundreds of thousands [of refugees], and no one else will accept them. Why don't we tell them? There are other countries that should take in refugees. And so why don't we talk to them? I have talked with U.S. officials. I went there last November. I told them that the state of Texas alone is as big as all of Thailand. And there are only 10 million people there while Thailand's population is 50 million. I asked them why, with such a small population, they can't can't take in more [refugees]. They couldn't give me an answer. They claim to be humanitarians. But they won't accept [refugees] and yet they blame us.

Yesterday, I read an article in SANSAWET, which is the journal of the Ratchawithalai Association. The writer, M.L. Pin, feels that the Vietnamese refugees at the camp on the Songkhla Peninsula are living very well. They have doctors to provide medical treatment. They have tap water, which is something that not all Thais have. Isn't that right? Thais in some subdistricts still have to walk several kilometers to get water, and they don't have [local] doctors. Why are these refugees the privileged ones in our country? Even though they are all knowledgeable, in the press they condemn Thailand and say that we don't act in a humanitarian way. But before they came, why didn't they think about this? Why didn't they stay in their own country? These are the questions I would like to ask. If I meet any of them, I will ask them.

Thus, I think that what he [the NSC secretary-general] said was correct. That is, while we have always followed the rules, we are now being blamed. But nothing can be done to those who have never followed the rules. In short, at the present time, it's better to be a bandit since no one can touch you. But if you are a gentleman, you will have a lot of trouble. I would like the press to speak out like this. Because this is very bad for Thailand. When I went to attend the conference in the United States, I felt that our reputation had been greatly tarnished. [People wanted to know] why we didn't take any action since the gulf was filled with pirates. I explained that the pirates rob only the Vietnamese refugees. And the Vietnamese who leave [Vietnam] are not people who fled. They paid to leave. Thus, those who let them leave know exactly what these people are taking with them since these people won't return. If we don't plan to return, we will take all our property with us. We will hide things. Thus, it may be other Vietnamese who are robbing the refugees. That's what I think. These pirates have never attacked a warship, merchant ship or any other ship. They have robbed only Vietnamese [boat people]. What is important is that if the Vietnamese did not leave their country, there would not be any pirates. That is what I have said to them. And the reason why Thailand's image has suffered is that the UNHCR has spread reports throughout the world in order to gain sympathy so that it can obtain money. But Thailand is the one that loses. And this is a terrible loss.

[Question] Concerning the refugee problem, other countries look only at the humanitarian aspect. But what about the matter of national security?

[Answer] Yes, they do look at the humanitarian aspect. But they themselves don't act in a humanitarian way. They are trying to force us to act in a humanitarian way by accepting these refugees at a time when we can't look after our own people as well as we would like. They have donated money to build camps for these people while they wait to go to a third country. They have provided doctors. These doctors earn a very high salary. They have used money to make purchases. And they say that we aren't humanitarians. What can we do when there are millions of Thais who are in a worse position than the refugees? We can't provide places to live to our own people. Bangkok is still filled with slums since we don't have money to build housing for them. Good housing has been built for the refugees. It's temporary housing, but it's nice. It's better than our slums. Things are orderly. I think that Thais would be glad to live in these places. These people who have come here, whom we don't want, enjoy good living conditions. They have doctors and running water. It's not fair to criticize us like this.

[Question] What about the matter of national security?

[Answer] There must be security. We send them to the camps; we don't keep them. When we seize them, we send them to the camps and let them handle things. But we think that some are here under false pretense. Not all of them are honest. There are both good ones and bad ones. What can be done? That is, they can't remain in their country; they have to go to another country. Those who force them to leave profit from this. But we are the ones who are frequently blamed. Every little matter is publicized throughout the world. I think that this is very unfair to us. I don't feel that we have been treated fairly. I have always said that this is not fair to the Thai people or to Thailand. Why is nothing like this ever said about the Lao people who have crossed into Thailand in the north or about the Kampuchians who have fled here? Why is it only the Vietnamese? It's worth thinking about why such reports are published. The reason is that Vietnam and Thailand are presently at odds. Think about what they want. They want to tarnish Thailand's image concerning the Kampuchean problem. They want people to mistrust us. Because if Thailand does not lead the resistance in the Kampuchean matter, no one else will. But we have to do this since it's our country. We are the ones who are threatened. If we love our country, we have to do this. Thus, Vietnam is trying to create.... If they can get ashore, they will try to cause problems for us. And why does the UNHCR have to support Vietnam? Vietnam has never acted in accord with U.N. [resolutions]. Just look at it from this angle. A country that has never followed the rules is shown great respect while the country that has always followed the rules is blamed. We aren't a colony. We aren't a dependency of the UNHCR. That is what I constantly remind myself. I want to stress that we are independent and have full sovereignty. The whole world knows that we have acted in a humanitarian way. Thus,

when something like this happens and reports critical of us are spread throughout the world, I think it is simply terrible. As for the matter of pirates, there is nothing to this; there is no problem at all. There is just a lot of talk about this. When I attended the conference abroad last November, Japan and Australia both took this view. Our image has suffered greatly. The image of Thai fishermen has been tarnished. People think that all our fishermen are really pirates. We wanted to sign a fishing agreement with Bangladesh, but they refused. They said that Thai fishermen are pirates. And so nothing came of this. Actually, there may be a few. The reason that such a fuss has been made about this is that the UNHCR has spread reports about this matter. And so we have suffered greatly. Everyone who comes to gather news stirs up trouble. Reporters who have come here take pictures and write feature articles and then condemn Thailand. Most recently, in England, this matter was reported on television. Thai students there wrote letters criticizing [Thailand], saying that Thailand was not taking resolute action to suppress the pirates. Look, we have done what is right but have received evil in return. I think this is terrible. Thus, if he hadn't said something, we would have suffered even greater losses. We have to speak out.

I said more than that, too. I talked with foreign military officers there and with senior U.S. military officers. I spoke out at the conference. I said that this matter had to be cleared up. I spoke reasonably and I asked that Thailand's name be cleared. The facts are different. I have fought this; I can't put up with this. I don't want to have to worry about this. I would have taken action a long time ago if I had had the chance. I don't want the press here to pay too much attention to what the foreigners are saying. When it comes to the reputation of our country, we should stick together.

What the secretary-general did not say was that in every case, it is Thailand that has had to take action first. Yes, they have given money. But money cannot sail around the ocean. We have to have ships. We have had to use our own ships first while others are being built. I think it will be another 1-2 years before these ships are ready. The same is true for aircraft. We have had to use our own aircraft first. The ones that they purchased for us are different from those in use here, and this has caused problems concerning maintenance. This is what has actually happened.

[Question] Concerning this equipment, what is being used and how much is there?

[Answer] They are supposed to provide three boats and three aircraft. They have already turned over two to us. But these have to be modified. We will soon get another two. But before getting these, we have to use our own. They have given money to cover maintenance costs, allowances and fuel. We have carried on the work without demanding that the boats be turned over to us first. At the very beginning, they gave us one

boat. I don't know what's happened to that boat. That boat was built for ocean fishing. Thus, it has had engine problems and other problems as well. It's not a boat that we can use in the navy.

[Question] Is it used to transport Vietnamese refugees?

[Answer] No. It is used to patrol the sea and suppress pirates. If we encounter refugees, we help them if we can. Because their boats can't be towed. They have purchased an aircraft that is completely different. But we won't get it for another 1-2 years. That's because they have to collect funds to give us. When they give us money, we feel like they are our masters. We feel that we have to do this and that. I would like them to go out in the small boats that they have given us and let them ride around in rough seas for a day. Let them get a taste of what it's really like to suppress pirates. Let them ride in a 50-ton boat for a short period, especially these days when the seas are very rough.

[Question] Is it true that we sometimes have to expel Vietnamese refugees in the interests of national security?

[Answer] I don't think we should use the word "expel." The word "expel" indicates a lack of humanitarianism. They don't really want to come to our country. They really want to go to some other country. They just want to rest here. Since they want to go elsewhere, when they are out of fuel and food, we give them some. We repair their boats for them. Thailand is not their final destination. And so, I really don't like to use the word "expel." People will criticize us for not acting in a humanitarian way. We haven't driven them out. From what I have learned, it's like that for the most part. That is, they don't want to stay here. They don't want to stay in Thailand because they are afraid that the communists will invade Thailand. They want to go far away. Because, to them, Thailand is like the end of a plank. Vietnamese are already on our border. "Expel" is too strong a word. The truth is that they may get lost and enter our waters by mistake. Because when they set sail from Vietnam, a good way is to set sail for the coast of Songkhla. There are oil wells there and the flames from the burning gas are clearly visible. When they leave, they can see these and so they don't need a compass or anything else. They can just sail directly to this point. This is the method they use. They may go a little to the north or to the south. We give them food. They don't want to stay with us. As soon as they can, they leave. Thus, "expel" is much too strong a word.

[Question] Concerning suppressing the pirates, besides not having enough equipment, what else must we improve?

[Answer] We will never have enough. Because they give us only what they can collect. This is not a major problem. I would like to take reporters for a ride in a C.P.S. boat for a few hours in rough seas. I don't think I would have to give an answer. If you really want to

know, you have to go out to sea. The Gulf of Thailand is huge. Even if you view things in Kampuchea from the Yai Canal, things will still seem far away. Thus, while our boats look big, once they go to sea, they are just tiny specks. In describing things to you is not the same as experiencing it for yourself. Thus, I would like reporters to go out in rough seas for a few days. Then you would know. You would learn what our sailors do. People sometimes ask me why we have allowed Vietnamese boats to reach the center of the Gulf of Thailand. Those who have never been to sea can talk like that. I have spent my whole life at sea. I know how big it is. Thus, looking for pirates is like looking for a needle in a haystack. Assuming that fishermen are responsible, there are 1,000 fishing boats in Thailand. That is a large number. Whenever we go out to sea to train, it takes hours to get away from all the boats. Thus, there is no way of telling which boat is a pirate boat unless we search the boat and find weapons, in which case we could arrest them. Those who have weapons hide them. They hide them beneath the nets. These are very heavy. How can we find them? This is just an example. But if we catch them in an act of piracy, we immediately arrest them. We have sent out boats disguised as refugee boats to attract the pirates. This worked the first several times. But later on the boats weren't attacked. If they aren't sure, they don't attack. Earlier, I said that we cannot deny that there are some pirates. There are some. But they aren't all Thais.

[Question] The pirates attack mainly Vietnamese refugees, don't they?

[Answer] It isn't only Thais who are involved. When people are robbed, they aren't always sure where they are at. They don't know whether they are off the coast of Vietnam, Thailand or Malaysia. They can't say. Because after they set sail and can no longer see the coast, they don't know where they are. Those on the boats who have been attacked can't say. In several cases, we have taken people to look at suspects, but they have said that they weren't the ones. We have shown them a boat with the same number. But they have said that that wasn't the boat. They don't know and so what can we do? We should use Thai numbers. Because Arabic numbers all look the same. If we used Thai numbers, we would know for sure that they are Thai boats. This is an example. Thus, we should make an effort to switch to Thai numbers. I have constantly written about this. This is just one example. But as the police have said, there must be some [Thai pirates]. But how widespread is this? It's difficult to believe, and I don't think that this can be confirmed. We have to preserve our country's reputation. And it cannot even be proven that people have been robbed. People who have been robbed and oppressed are the first ones allowed to go to a third country. They are at the head of the list. Thus, those who were not robbed will claim that they were robbed. They claim to have been robbed here and oppressed there and so forth and thus get their names placed at the head of the list. These are the first people who are sent since people pity them. This itself leads to more robberies. How can we know; how can we trace these people?

[Question] Are you saying that if there were no Vietnamese refugees, the piracy problem would become less of a problem?

[Answer] There wouldn't be any pirates at all. But don't misunderstand. Boats do rob each other occasionally; that is common. That is, some boats that operate close to shore may steal engines from other boats. But don't call this piracy. These people are just common bandits. They are like thieves who steal automobiles and sell them. I was a victim of this myself. Or they are like people who rob drivers. They are ordinary bandits. But in the ocean, no one steals engines. A 6,000-baht engine can be sold for only 3,000 baht. It isn't worth their effort.

[Question] Concerning the Kampuchean problem, there are reports that some military officers feel that Thailand should compromise more.

[Answer] I would like to know to which unit these soldiers are subordinate. Those who are uneducated or who have never studied international politics may think like that. But I don't think that that is possible. Vietnam will not agree. Kampuchea might want to compromise, but Vietnam doesn't. That is, at present, it's like talking with a person who is being manipulated from behind. They are not in control of their own affairs. As for compromising with Vietnam, has Vietnam ever compromised with us? Since the first Vietnamese refugees came here, [have they ever compromised with us]? Put simply, they have always distorted things. Thus, I really wonder which soldiers would hold such a view.

[Question] Concerning the attitude of other countries concerning the Vietnamese problem, is it possible that they are using this to pressure us indirectly?

[Answer] They can't pressure us. I don't think anyone can pressure us. We are a fully sovereign and independent country. No one can pressure us. They are just spreading propaganda about us. And besides the Vietnamese, the UNHCR is involved in this, too. That is, it is trying to ruin our reputation. It is our duty to respond and oppose this. In my position as a senator, I was once asked why Thailand recognizes the Khmer Rouge since the Khmer Rouge has committed so many atrocities. In response, I asked about Vietnam. Haven't they committed atrocities, too? Vietnam poses the greater danger to Thailand. They said that if that is the case, we are between two dangers. I said that that was exactly the case. We have thought about this. This group poses less of a threat to Thailand. From the legal standpoint, we have to recognize them. Because if we don't, we would end up having to recognize any group that seizes control of a country. In the future, this would become commonplace. Take what Russia did in Afghanistan. Why didn't they recognize [the Soviet backed government there]? Because what Russia did was wrong. The same is true here. Vietnam has occupied Kampuchea. How can we recognize them? In not too long, this will be happening all over. What will you do, [I asked them]? They couldn't give me an answer.

[Question] But at present, many people in Thailand feel that we must have a more flexible policy. For example, General Kriangsak visited Vietnam on his own.

[Answer] I don't want to comment on that. I don't know the facts. But I am a person of principle. Principles come first. Otherwise, there won't be any law and order in the world.

11943

CSO: 4207/105

CONDITION SET FOR VIETNAMESE REFUGEES TO GET ID DOCUMENTS

Bangkok MATICHON in Thai 23 Jan 84 pp 1-2

[Text] The Office of Vietnamese Refugees Affairs has sent out pamphlets to explain the government policy on granting permanent residence visas to Vietnamese all over the northeast, by emphasizing principle and the refugee's behavior as a basis. It states that there are people with ill intention who would carry on misleading propaganda.

From 12 January to 15 January, the offices of Vietnamese Refugees Affairs throughout the country distributed pamphlets to explain the government policy regarding permanent resident visas for Vietnamese refugees with good behavior who have been granted special passes permitting them to travel outside of the confined areas for 3 consecutive years.

The pamphlet said the government policy on immigrants regards the Vietnamese as illegal refugees who fled their country to seek temporary refuge in Thailand. It is therefore necessary to confine them to specific areas pending the completion of the process to return them to their homeland. The government officials who would implement the policy therefore started with confining the refugees to specified areas and allowing them to make suitable living as well as providing them with comforts and assistance as much as they could.

"The Thai Government and the Thai people take pity on the refugees and are very sympathetic to them who are neighbors and who have fled into the country. We think of them as human beings, just like people of all other nations and languages, harbor no discrimination whatsoever, and have no strict or rigid policy as some people with ill intention have propagandized," said the pamphlet.

Coordination Center 114, whose duty is to facilitate direct coordination between the government and the Vietnamese refugees, wishes to create a uniform understanding among brother and sister Vietnamese refugees that the government policy has not changed, that is, refugees who entered this country are to be returned to their homeland. However, while it is not yet able to return them to their country, the Thai Government has liberalized its policy by providing those with good behavior with special passes so that they are able to temporarily travel outside of the confined areas. And if they continue to maintain good behavior, they will be considered for permanent residence visas, and eventually granted Thai citizenship.

Those who would be granted special passes must have the following qualifications or be qualified for the following considerations by a committee: 1) he or she must have an honest job, possess evidence showing that he or she has paid taxes for at least the past 3 years, or has a good job and is well settled in a home in the confining areas for Vietnamese refugees; 2) must be a person who has helped the government or assisted in public affairs, with a certifying document to that effect from a division-chief level or an equivalent official of the government agency for which he or she has worked; 3) during the 3-year period to be taken into consideration, the refugees must never have violated the rules governing the Vietnamese refugees, such as escaping from the confining areas, trading in illegal goods, etc; and 4) must not be a person with a record of an action which is considered to be a movement threatening to the country's national security or the tranquility and good morals of the people, and this can be proved by passing the screening of all officials concerned.

"As for the various steps of consideration, they have already begun. In 1984, many Vietnamese refugees in all the provinces with confining areas have been considered for permanent resident visas. And what about you? Have you begun your good behavior for the sake of your children's happiness and peaceful living on the Thai soil? If you have not, we ask that you begin now by directing your behavior to meet the four requirements mentioned. Then the committee, which consists of the provincial governor, who is the chairman, and 11 other committee members, with the governor's head of office of the Vietnamese Affairs as secretary of the committee, would consider with fairness the granting of a special pass to all of you," said the pamphlet.

Another thing, we would like to make it clear about the fact that there have been some people with professed good intention who have carried on a propaganda among the Vietnamese people by saying that the granting of permanent resident visas to Vietnamese refugees was the work of the representatives of the Vietnamese refugees themselves and the representatives of other organizations, that the contribution of money by the refugees to the construction of bunkers is an act of treason against their own nation, and a stupid thing to do, or that the act of calling in some Vietnamese refugees to meet with the officials was an act intended to brainwash them. Regarding all these stories, you yourself will use your knowledge and experience as a basis to make judgment as to what is what, and how you should conduct yourself.

At present, the Vietnamese refugees who have fled to Thailand since 1945 are living in 10 provinces: Nakhon Phanom, Mukdahan, Nongkhai, Udon Thani, Sakon Nakhon, Yasothon, Ubon Ratchathani, Prachinburi, Surat Thani, and Patthalung.

12282

CSO: 4207/79

THAILAND

THAHAN PHRAN REFUGEE SMUGGLING

Bangkok MATICHON in Thai 24 Jan 84 p 16

[Text] MATICHON's correspondent reported from Aranyaprathet District, Prachin Buri Province, that on 22 January at 23:20, Pol Lt Col Kongkiat Sangcharoen, inspector general of Aranyaprathet, led his force to Thana Withi Road to make an interception. This is because they had learned that some Thais would take the Kampuchean refugees out of the Khao I-dang and Ta Phraya Holding Centers.

While searching, they saw a motorcycle leading a motor-tricycle transporting over 10 people toward Aranyaprathet; it then made a turn onto Suwannason Road, and headed to Watthana Nakhon District.

The police searched the vehicle and found that there were 11 suspects. Among them were two Thais, Mr Bunyong Wongmalai and Mr Manat Somphon, and the rest were Kampuchean refugees: Mr Ung Ku, Mr Li Kimseng, Mr Limen, Mrs Kwangsim, Mrs Ti By Li, Mrs Udom Chandara, Miss Li Len, Miss Li Mia, and Master Li Chandara. The police searched Mr Bunyong and found \$4,750, and Australian passport, and a check drawn on an Australian bank worth 30,405 baht.

Interrogated, Mr Bunyong said he was hired by Mr Ung Ku who fled to Thailand after the fall of Pnom Penh. Later Mr Ung Ku went to live in Australia. He asked Mr Bunyong to take his relatives out of the camp to Bangkok for the price of 8,000 baht, if they were delivered to the destination in Bangkok. Mr Bunyong claimed that the rangers at the refugee camp had assisted him.

Police detained Mr Bunyong, Mr Manat and Mr Ung Ku for prosecution. The rest of the Kampuchean refugees were returned to their camps. And police also notified the commander of the rangers at the camps to turn the rangers who had assisted Mr Bunyong over to the police for further investigation.

12282

CSO: 4207/79

SMUGGLING OF ORE TO SINGAPORE DISCUSSED

Access to Smelter Denied

Bangkok MATICHON in Thai 21 Feb 84 p 2

[Text] Thai MP's visiting Singapore asked to visit the smelter, but the secretary to the prime minister hemmed and hawed and denied the request, claiming that the [smelter] is a private [facility].

ML Seri Pramote, a Bangkok Democratic Party MP, on 20 February revealed the incident in which some 10 MP's from various commissions visiting Singapore on 15-16 [February] met with the secretaries to the ministers of trade and industry and of the environment in consultations about international legal matters concerning the two countries, especially the smuggling of illegal [tin] ore from Thailand to Singapore. There is an obstacle [to stopping this smuggling], namely, that when the authorities inspect ships, they sometimes cannot find any ore, and then the ship owners sue. Consequently, [the MP's] sought Singapore's cooperation, because Singapore's purchasing of ore from Thais is tantamount to purchasing from bandits.

"We informed [them that we know] there is no mining in Singapore, but that there is a smelter. They said that there used to be three smelters, but that now the number has been reduced to one plant. We asked to visit the plant; they acted flustered and said that we could not go because it is privately [owned]," ML Seri stated.

Singapore Role Noted

Bangkok LAK THAI in Thai 23 Feb 84 pp 23-29

[Special interview with Mr Vira Musikphong, deputy minister of the Ministry of Interior, vice chairman of the Mining and Export Control Board: "Officials Note Singapore Role in Tin Smuggling"; date and place of interview not specified]

[Question] We would like to know the details of the measures that Thailand is taking in cooperation with Malaysia and Indonesia to press Singapore to be strict about importing illegal tin.

[Answer] Right now there are talks underway. It is the responsibility of our Ministry of Industry to talk with [Singapore's] Ministry of Industry when they meet, because they already have regularly scheduled conferences about [tin] ore. Besides, we have also left [messages] with the Ministry of Foreign Affairs that when it has conferences [with Singapore] to please always bring up this matter. As for the prime minister of Malaysia, when he went to Singapore, he talked frankly with Lee Kuan Yew, saying that when you take somebody's ore, please be sincere. Suharto himself went to Singapore and also said this, that Singapore is purchasing illegal tin and please help us [with this problem]. Therefore, we have to talk continuously if the smuggling doesn't decrease

[Question] If Singapore cooperates, do you believe that the smuggling of illegal tin will decrease a lot?

[Answer] Decrease, because [the smugglers] don't know where else to sell it. Anywhere else is too distant for selling it: the cost of transportation eats up a lot [of the profits]. There are only Malaysia and Singapore that they can smuggle it to, but Malaysia has cooperated fully, so the problem there is over, even though, in fact, Malaysia actually is closer.

[Question] Up until now, Singapore has shown only bad will toward Thailand; how sincere are they in solving this problem?

[Answer] The truth is in people's hearts, so we look at their behavior. As for Malaysia, it has statistics showing that its behavior is sincere. Regarding Singapore, we must continue to look at its statistics. If its statistics still indicate that it is not sincere, then we will have to talk about it again. But regarding their past sincerity, we already understand that they are not Thais; why should they want to look after Thailand's interests? We have to talk about this matter frequently.

[Question] Right now, do Malaysia and Indonesia have the same problems with Singapore as we do?

[Answer] Similar to ours, in that Singapore is the place that purchases the most tin and has many tin smelters, although some plants have already closed down.

[Question] Can you estimate what is the value of Singapore's purchases yearly?

[Answer] It's a lot. It cannot be calculated on an annual basis because we haven't seized their books, but we know that it's a lot, up to 100 million baht. We have to understand that Singapore doesn't have any ore at all. But judging from the volume of [its tin] exports, we can see that the ore comes only from Thailand, Malaysia and Indonesia, not from other parties.

[Question] Does the Thai Mining and Export Control Board itself see any weak points anywhere in the "Andaman 2" plan?

[Answer] As a matter of fact, every plan has internal strengths, but the weak point is the equipment, which is a perennial problem, because where can we get good equipment? Talking about having radar to catch [smugglers]--we can't because we would have to invest a lot of money. We just have to depend on using the available equipment, just keep on using it. Our methods emphasize personnel more [than equipment].

[Question] Are there any problems right now with authorities cooperating with smugglers?

[Answer] Right now we can't say because there are fewer [authorities cooperating with smugglers]. We can even say there almost aren't any. Besides, the lower ranking authorities will never disappear, but we are talking now about the big shots who cooperate at the higher levels; right now, there are none.

[Question] It has been determined from arrest reports that the defendants in big cases have disappeared many times.

[Answer] The defendants disappeared in many incidents, such as when Customs caught them and they all jumped overboard and escaped. Customs lets them [get away] because if they bring the accused to court, by the time they finish the lawsuit and by the time they draw the reward money, it's much too slow. If there are no defendants, it's faster. The reward money for arresting them is a lot, too.

[Question] This way doesn't bring good results in suppressing [smuggling] because even the ring leaders can escape.

[Answer] [Customs] has thought this matter over very carefully. Before, when there were no rewards, they couldn't capture any. Without any [rewards], they regularly freed [the smugglers] and then collected the reward money [for seizing the cargos].

[Question] From the underground and from news sources--are there many more large financiers [involved in smuggling]?

[Answer] There still are, but they don't show themselves. They don't do it themselves, they are not on the boats, they don't travel around. We only know that when we bring the matter to court, we are unable to link them [with smuggling]. But we know who they are. We have even listed all their names. There are a lot, but as long as we don't have the evidence to take serious measures against them, we keep these [lists] for information.

[Question] Does it amount to 100 persons?

[Answer] About that, if every province--Phangnga, Phuket, Ranong, Krabi, Nakorn Sri Thammarat--is included, it's 100. These people also have other businesses and there are also people of high social standing, but we don't see any politicians yet. There are also some merchants.

[Question] Is the overland smuggling problem very severe presently?

[Answer] Overland means mining ore in Phangnga, Krabi, Phuket, then transporting it overland to Nakorn Sri Thammarat and then via the sea. After that, they transport it overland from the western to the eastern region for loading onto ships and sail it out into the Gulf of Thailand.

[Question] Are there a lot of problems like this right now?

[Answer] This year there are a lot more because when we concentrate on one shore, then throw enough forces there to control it so that it quiets down, then we suspect something unusual, so our investigators go to work [on the other shore] and discover exporting from there. We have not caught [smugglers] but we have gotten information many times. This time we will throw our forces to both shores.

[Question] Because of the mobilization of officials and the seriousness with which the [suppression of smuggling] policy is taken, do you foresee that it will be a long time until the tin smuggling situation progresses in a satisfactory way?

[Answer] We have to accept that this situation will always exist because tin ore smuggling has origins that we know clearly, yet are unable to solve. What we know clearly is that we mine a lot of ore, but that we have a small export quota, which results from the fact that we are a member of the International Tin Council [ITC]. After the meetings and quota allocations, we export [tin] according to [our] quota. But production in the country is higher than the quota that we have. When people dig up the ore, it just lies in the mines, and they are in debt because they have invested and borrowed money for something that they cannot sell. Consequently, they must smuggle it out. This is one of the points that we have already studied, only to discover that we're unable to solve this problem, because we must talk to the ITC, which is the responsibility of the Ministry of Industry. However, as long as the tin quota doesn't get higher--nobody can endure [the situation] that long because of the interest charges that hit them--they must release [the tin]. Ore is not edible, unlike rice. If you let it pile up, one, it might be stolen; two, the interest charges. Therefore, they must find a way to get rid of it, regardless of the method.

[Question] Is the way to solve this problem for the government to control the volume of ore production?

[Answer] In truth, this matter is on the minds of the [Mining and Export Control] Board members. However, since these mines were already opened before--not newly opened--the opening of new mines is what we are taking a great interest in. Controlling them is not fair; [investors] have invested money that they've borrowed and they have workers. If they started mining 5 years ago, the [grade of] ore will just be getting good, when we tell them to stop or just mine a little. Workers will be unemployed--they have to continue to mine. These are the absolute facts. It is a serious problem, so we cannot talk about it too freely. If we are able ourselves to sell

[all the] ore [that we produce] to meet the quota--meaning that we get a high quota--they will smelt it in Thailand, then export it legally from Thailand. Some people who don't want to pay any excise taxes at all might sneak some out--if they want to sneak it out, it's because they don't want to pay excise taxes. If they get caught, it's not worth it, meaning that there are ways for them to export legally. But they don't, they keep on using sneaky ways. If they get caught, they sustain losses. Therefore, they will choose the right way to export, but right now they can't export legally, so, no matter what happens, they first have to smuggle it. If they get caught, they sustain losses; if they don't get caught, they still sustain losses.

[Question] When there are such problems, does the Board talk about resigning from the ITC?

[Answer] We did say that, but the Ministry of Industry has explained that that is also a problem because if we withdraw, the ITC will collapse--it couldn't exist--because we are an important member. Malaysia, Thailand, these are the biggest producers of the tin world. In addition, there are Bolivia and a few other countries. If we withdraw suddenly, other countries will withdraw, one after another. Then they will compete in selling and tin prices will drop, because the ITC also controls the price. They know how much tin the world market has, tin stocks, the amount next year. They correctly estimate in advance how much sellers will mine in a given year. But right now [the market] is somewhat affected because, similar to Singapore, there are [countries] which are not members but also sell tin. Consequently, the ITC is telling every buyer country that it should buy tin from the countries belonging to the ITC. It isn't easy, but it has to be done.

[Question] In the event that we can't solve the problem of production exceeding the quota, but Singapore cooperates in not allowing the smuggling of illegal tin for smelting, do you think we can solve the problem?

[Answer] [The smugglers] don't know where to sell. This itself is a natural pressure because they don't have a place to sell. When there is no demand in the [Singapore] market, they won't know whom to sell to, so they will slacken production. But right now, we can't just tell them to stop producing; it's like making someone who used to farm 10 rai of rice to farm only 5 rai. They would have to say: what the hell is this? This matter will work itself out naturally, because when they don't know whom to sell to, stopping [production] would be better. It's just that they stop themselves, the same as in rice farming. Suppose someone farms and sells very cheap. For example, he used to farm 20 rai, but next year he will reduce it to 10 rai. If he does it voluntarily himself, then nobody can say anything. But if we, the government, force him, then he would scream: just what is this; I should be free to do it, especially when he has already invested money.

[Question] [Tin] smuggling in 1984--what will be its value, because more than 100 million baht worth was smuggled in 1983?

[Answer] We should seize more in 1984--then the statistics will be higher--because we are working very seriously; but how much smuggling will decrease

we cannot easily say, because we don't have statistics about how much they smuggle out. They don't register with anybody. We only estimate roughly, but following normal procedures, if we suppress it seriously, it will be less. If we neglect it, then they smuggle easily. We can't estimate for 1984, but we are working hard, so we should seize a lot.

[Question] Right now, are the authorities cooperating fully?

[Answer] Fully. There are some officials subordinate to "the upstairs" who still don't understand the policy, but they are lower ranking. However, the higher ranking authorities understand and are deeply impressed with the necessity [to cooperate].

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CSO: 4207/101

THAILAND

PHUKET REACTS TO U.S. MILITARY PRESENCE, RESTRICTS G.I.'S

Bangkok DAO SIAM in Thai 26 Feb 84 pp 1, 2

[Article: "U.S. Military Opposed In Phuket; Feared That G.I.s Will Expand the 'Flesh Market'"]

[Text] Forces being sent to watch things in the Middle East, but the people spurn the dollar and ask that the U.S. troops go ashore at Phangnga.

The U.S. CinC PAC, or U.S. Pacific command, is experiencing problems in using Phuket as a logistics base for its forces operating in the Indian Ocean, from where forces are sent to monitor the situation in the Middle East. The people in Phuket do not want G.I. dollars. Sailors from the aircraft carrier once "went ashore" for rest and recreation at Hat Padong. They were restricted to the beach area and were prohibited from going into the city. The president of the Phuket Tourist Association has sent a letter to the Tourist Organization of Thailand asking that the U.S. sailors be allowed to go ashore in Phangnga instead since he wants to preserve the "peaceful" tourist atmosphere for real tourists.

The fighting in the Middle East, particularly the fighting between Iraq and Iran, is becoming more and more violent. Recently an English fleet went to monitor the situation in the Strait of Hormuz in the Persian Gulf, which is an important oil transport route. Prior to that, the U.S. Pacific Command, or U.S. CinC PAC, which is headquartered in Hawaii, had stationed the 7th Fleet in the Indian Ocean in order to monitor the situation in the Middle East. And most recently, the U.S. Pacific Command has made plans to send a division of marines from Okinawa and station them at a base in the Indian Ocean. This base is on a small island that belongs to England. This island is about 280 kilometers from Phuket. Phuket is the only suitable place from which to supply the marines on the island and the fleet stationed there. Thus, plans have been made to build a large logistics base at Phuket once the marine division is transferred.

Instead of exciting the people of Phuket over the prospect of making a lot of money from the U.S. troops, the reports that G.I.s will be coming to Phuket have caused fears that Phuket's image as a beautiful tourist spot, the "pearl of Asia," will change. There are fears that

real tourists who want to get away from things and rest and who like to come to Phuket will come to dislike it here. Thus, Phuket is trying to preserve its good name as a tourist center. Our reporters who have followed this story have reported that the people of Phuket are opposing this U.S. plan to use Phuket as a logistics base.

Twice in the past, U.S. sailors from a fleet, composed of an aircraft carrier and escort vessels, that had dropped anchor in the Bay of Patong have gone ashore. Each time, they have received a "quiet" welcome from the people of Phuket. That is, the U.S. sailors were required to stay in the beach area; they were resolutely prohibited from going into Phuket City. Provincial officials said that this was done for the safety of the U.S. sailors since there were not enough police officials to maintain order. It was feared that there would be problems. And so the U.S. sailors just played on the beach and ate at the restaurants on the Patong beach. They did not have a chance to get involved with Thai girls as at Phathaya. "We don't want this city to become a 'flesh market' for foreigners," said a senior official in Phuket.

Mr Wichit Na Ranong, the president of the Phuket Tourist Promotion Association, recently sent a letter to Colonel Somchai Hiranyakit, the director-general of the Tourist Organization of Thailand, asking the Tourist Organization to contact the units concerned. He said that if the U.S. sailors want to come ashore for rest and recreation again and if they want to go sightseeing or rest in Phuket City, they should first go ashore at the naval base in Takuapa District in Phangnga Province and then come to Phuket City dressed as ordinary tourists. And they must be reminded by their superiors that their real intention must be to go sightseeing and that they must conduct themselves like ordinary tourists.

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CSO: 4207/109

EDITORIAL NOTES CONTINUING PROBLEMS WITH MALAYSIA

Bangkok CHAT ATHIPATI in Thai 26 Feb 84 p 8

[Editorial: "Tuan Ku Medal Conferred on Prem"]

[Text] Last week, General Prem Tinsulanon, the prime minister, and his entourage made a 3-day visit to Malaysia in accord with the invitation extended by the Malaysian government.

Mr Trairong Suwannakhiri, the spokesman for the Office of the Prime Minister, who accompanied the prime minister on this trip to Malaysia, said that General Prem received a fitting welcome from the Malaysian prime minister on his arrival in Kuala Lumpur. The leaders of the two governments held talks together at the Government House for an hour. They discussed the international situation and the situation along the Thai border. The Malaysian prime minister felt that the Kampuchean problem can be solved only by using political methods. He felt that Vietnam will have to withdraw its troops in accord with the U.N. resolution and [allow] the formation of a coalition government, which is what Prince Norodom Sihanouk is trying to do so that the Kampuchean people can solve their internal problems by themselves.

Concerning Thailand and Malaysia, it can be said that these are neighbors that have long had close relations. That is, besides sharing a common border, the Malaysian people and the Thais who live in the southern provinces of Thailand have the same religion, language and customs.

For all these reasons, the problems that have arisen between Thailand and Malaysia are different from the problems that have arisen between Thailand and other countries. There are several problems that cannot be solved by local officials and that must be discussed directly by the leaders of the two countries. Thus, the fact that General Prem visited Malaysia, which gave him a chance to discuss directly a broad range of problems with the Malaysian prime minister, should facilitate solving these problems.

We agree that the international situation and the situation along the Thai border are important problems since they do not affect just the security of Thailand or the well-being of the people living along the

Thai border. These problems also have an effect on the other countries in this region and on peace in Asia.

At the same time, it must be admitted that Thailand is the front-line state that has to face the Kampuchean problem. Because besides the fact that the fighting between the Khmer coalition and the Vietnamese-Heng Samrin forces has a direct effect on us, that is, losses from occasional violations of our territorial sovereignty by forces of both sides, we also have to bear the burden of helping the refugees, which is a very heavy economic burden. Malaysia and the other members of ASEAN are far away from this problem and this burden. Thus, they should think about providing help and sharing this burden with Thailand and not just give "moral support."

Besides the problems concerning this international situation, we don't know what other matters the prime minister discussed with Malaysia. In particular, we don't know whether they discussed the matter of peace and order in the southern provinces of Thailand that border Malaysia or the economic problems.

As for the problem of peace and order, some bandit groups are using ethnic background, religion, language and customs as tools to stir up trouble and even separate this area from Thailand. They have received support from some political groups and local officials in Malaysia. For example, when Thai officials launch a suppression operation, these bandit terrorists flee into Malaysia. And when the Thai officials pursue them, Malaysian officials block them. And when discussions are held at the level of officials, that is, when the Joint Border Committee holds a meeting, Malaysian officials always try to avoid discussing this problem. When pressure is applied at this level, Malaysia uses its political influence in senior Thai circles to force the local [Thai] officials to stop pressuring Malaysia to take responsibility for this.

In addition to this border problem, there are various economic problems. For example, there is the fishing problem. Malaysia has charged that Thai fishing boats have entered and fished in its territorial waters. But very often, Malaysian officials send warships to harass Thai fishing boats operating in international waters and tow them into Malaysian waters. There is also the problem of ore being smuggled out of the country. And there are possible future problems such as oil sources in the area of the Thai-Malaysian continental shelf.

We feel that all the problems discussed above are important problems between Thailand and Malaysia. The government should discuss these problems with Malaysia as soon as possible. In particular, during this meeting between the leaders of the two countries, [Prem] should not become so enamored of his medals or the Tuan Ku medal, which is the highest medal conferred by Malaysia, that he forgets to discuss the problems, as some Thai leaders in the past have done.

THAILAND

THAI-PRC TRADE POSSIBILITIES VIEWED

Bangkok LAK THAI in Thai 1 Mar 84 pp 17, 18

[Article: "Thai-Chinese (Red) Relations: It's Time to 'Hiccup'"]

[Text] "As for the personal letter that M.R.W. Khukrit sent to Mr Deng Xiaoping, in which he asked China to purchase another 100,000 tons of glutinous rice from Thailand, Mr Deng is not in Peking at the present time and so he will not be able to give an answer. But because of our old friendship, we will find a way to help in accord with Mr Khukrit's request." This statement, made by a high-ranking Chinese official, was related to reporters by Mr Koson Krairuk, the minister of commerce, on his return to Bangkok after a trip in mid-February to try to find a way to sell Thai agricultural products to communist China. This is the first time that Thais have returned emptyhanded since diplomatic and trade relations were restored between the two countries in 1975 just 1 year before the death of Mr Mao Tse-tung.

Besides equivocating on the purchase of Thai agricultural products, the senior official of the Chinese government also said other things in a rather unfriendly manner. What is important is that China said that at present, it has succeeded in developing its agriculture using capitalist methods. This has resulted in China's agricultural yields quadrupling. For this reason, Thailand can no longer rely on China [as a market for Thai agricultural goods] and will have to look for other markets since Thailand and China produce the same types of goods and have the same markets. China also said that Thailand is more prosperous than China. Thailand's per capita income is higher than that of China and so it is not among that group of countries that China must help.

These comments made by Chinese officials to a Thai minister are the strongest statements ever made by China to Thailand. These statements clearly show that China has backed away from its once friendly attitude. China once said that Thailand and China were like brothers and that if there was anything they could help each other with, they would have to do so.

And China was not going to help Thailand only on the economic front. It once said that it was prepared to send troops to help Thailand if Vietnam started a war with us.

One businessman of Chinese ancestry in Bangkok told LAK THAI that since Deng Xiaoping came to power, Red China has changed greatly. In particular, it is acting more and more like a selfish capitalist. "Everything that it says is different from before. The same is true for the agreement on the sale of goods. China voids the contract made and then sells the goods to others without giving this a second thought. As for filing a protest, whom can we protest to? China carries on state-type trade, not private trade, and so we can't protest to the Chinese government."

Another thing that this senior (Red) Chinese official told Mr Koson so that China will not have to purchase any more rice from Thailand is that Thai rice is of too high a quality. The Chinese people don't eat such rice. If China makes this one last purchase because of the old friendship between Deng and Khukrit, it will sell it to Cuba.

When Thailand and China began trading with each other, Thailand enjoyed a trade surplus for the first several years only. Since then, it has always suffered a trade deficit. The main item sold by Thailand to China is rice. It is well known that China purchased this rice for resale to other countries. As for the goods sold to China to Thailand, besides crude oil, it sold a wide variety of goods to us ranging from machinery to dried watermelon seeds and aphrodisiacs.

Concerning the fact that China has refused to purchase any more Thai rice, citing such unfriendly reasons, diplomats and observers of international political affairs are dumbfounded. This was a personal and private request from M.R.W. Khukrit to Mr Deng Xiaoping. But China still had the audacity to refuse. There are two ways to view this. One is that the present situation in China is perhaps not very calm. It's possible that Mr Deng Xiaoping has lost his power. The other view is that China has changed its attitude toward Thailand and no longer regards us as a brother as it did when friendly relations were first restored. Perhaps it now feels that Thailand is just a capitalist satellite of the United States.

One expert on Thai-Chinese relations voiced a different view to LAK THAI. He said that actually, China does not have much respect for M.R.W. Khukrit Pramot. The relations between the Chinese and Khukrit, which seemed so good on the outside, were really not good at all. "I know that the Chinese still regard (Retired) Major General Chatchai Chunhawan as a person of importance since he was the first person to negotiate with them, both secretly and openly, on establishing relations. Even though Mr Chatchai does not hold a cabinet position, he is still greatly respected in the Thai-Chinese Friendship Association. Also, the Chinese diplomats in Thailand frequently meet with Mr Chatchai."

It is worth noting that this important change in China's attitude coincided with the trip to Vietnam by General Benny Murdani, the commander-in-chief of the Indonesian army. On his visit to Vietnam, General Murdani attacked Red China by saying that it is the greatest enemy and that it is a threat to Southeast Asia and ASEAN. General Murdani also said in praise of China's enemy that "some countries say that Vietnam poses a threat to Southeast Asia. But neither the Indonesian army nor the Indonesian people believe that."

Even though the Prem government has not shown any reaction to this, this will cause concern since besides being the prime minister, Prem is also the chairman of the council of economic ministers. What is important is that there is a "shadow" chairman named Khukrit Pramot sitting behind him. When Prince Sihanouk attended the conference of the Khmer coalition government in Bangkok and Phathaya on the orders of China, the Thai government arranged a grand welcome for him. And Mr Khukrit took part in these ceremonies and showed intimacy and respect.

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CSO: 4207/107

THAILAND

F-16 PURCHASE PROVOKES PRESS COMMENTS

Columnist: Unnecessary for Defense

Bangkok BAN MUANG in Thai 1 Mar 84 p 5

[Ta Mo Lo column: "How Necessary Is the F-16"]

[Text] I am reluctant to write about the F-16 affair because I trust the judgment of the military on military matters and because those who oppose sharpening the "claws" of the military are called unpatriotic. I have been stunned. But even so after considering things carefully, I have to write about this since I am a Thai and since I love the Thai people just as much as Thai Airways.

The F-16 aircraft that the supreme commander has asked to purchase from the United States in order to strengthen the air force is a long-range aircraft that is capable of attacking Saigon and Hanoi in Vietnam.

At present, Vietnam has the strategic advantage over us since Vietnam is engaged in a war abroad and has set up bases in Kampuchea, which is like a spear aimed at Thailand. Whenever they want to have "fun," they just fire into Thailand. Several times now, they have sent troops across the border to cause trouble in Thailand.

We are at a strategic disadvantage because Vietnam can attack Thailand while we can attack only the Vietnamese in Kampuchea and cannot touch those Vietnamese who live to the east of Kampuchea. Sharpening the "claws" of the military is something that should be considered carefully.

Having F-16 aircraft would result in our suffering less of a disadvantage. If Vietnam threatened us too much, we would have F-16 aircraft that we could send to Saigon or Hanoi to "teach them a lesson."

On another front, using the political idiom that is presently in widespread use, this would bring about a balance in weapons between Thailand and Vietnam. But having just a single squadron of F-16 aircraft will not frighten Vietnam. The lesson learned from the Indochina war was that while the United States was able to send large numbers of aircraft to bomb North Vietnam since it produced aircraft and bombs itself,

it could not defeat Vietnam. Vietnam defeated the United States even though it did not use any aircraft.

Germany lost the Second World War. It did not lose the air war, even though the allies carpet bombed Berlin. Rather, Germany lost because of the naval war since Hitler was so infatuated with air war and because he waged war too far abroad.

We have had experiences here, too. Our air force once used aircraft to attack the bases of the communist terrorists in the fighting in the Khao Kho area in Phetchabun. But this did not secure the area for us and in the end it was necessary to send in the army.

Based on this assessment, it appears that while the cost of using aerial forces is very great, this achieves very little. On the other hand, using ground forces costs much less, and the results are much greater.

This is what military officers told me when the military invited me to go observe the achievements of the Second Army Area just before a large group of communist terrorists surrendered in order to participate in national development. Saying this, it seems as if I am insulting or deriding the importance of the air force. But actually, I admit that the air force has a very important role to play in a war. But aerial warfare cannot deliver a knockout punch. Aerial warfare is like a "hook" to the body that weakens the opponent. It's the ground war that delivers the "knockout punch." The naval war is like a "jab" to keep the enemy off balance. Each of these must be used at just the right time in order to achieve results.

I would like to conclude by saying that if something happens that makes it necessary for us to go to war against Vietnam, we will have to fight the war in Kampuchea, and the war will be decided in Kampuchea. Concerning the aircraft used to support the fighting in Kampuchea, it wouldn't be necessary to use F-16 aircraft, which are too expensive for waging war in Kampuchea.

Thus, I agree with the United States, which has recommended that we purchase another type of fighter aircraft that has a radius of action suitable for fighting in Kampuchea and that is cheaper. For the same amount of money, we can purchase more aircraft, and we will be able to defend the capital better if Vietnam should launch an aerial attack.

However, the war in Kampuchea will be decided on the ground. I think that if it is necessary to spend that 12 billion baht on strengthening the military, half of this money should be spent to increase the strength of the army so that it is superior to Vietnam's army (don't forget that Vietnam has 200,000 troops in Kampuchea and can increase this number if it wants). I hope the air force won't be angry with me for saying this.

Editorial: No Consultation on Purchase

Bangkok ATHIT KHLET LAP in Thai 25 Feb-2 Mar 84 p 3

[Editorial: "The F-16 and the Defense Council"]

[Text] Concerning the matter of the air force purchasing F-16 aircraft, General Athit Kamlangek, the supreme commander, has made a rather firm decision to make the purchase and is now waiting for an answer from the U.S. Congress in May. This matter has generated great opposition from many groups, including retired military officers, bankers, officials in the Ministry of Finance and several newspapers. The important reason for opposing the purchase of F-16 aircraft is that there is no reason to do so. More than 80 percent of those who have stated their opposition have done so with pure intentions. In particular, there is the fear that this will "increase the debt." And they are afraid of the affect that this will have on our financial situation, on our balance of trade and balance of payments and on our economic situation, which is still in a state of turmoil.

These objections should be given a broad and honest hearing by the military. The question is: How much discussion was there concerning the reasons for purchasing the F-16 aircraft? Did the various services consult each other about this? And is this a "perfect" resolution for the military in purchasing such an important military weapon.

We do not feel that just having this matter discussed by the Purchasing Committee and then forwarded to the air force and the supreme commander is adequate. In particular, in discussing the matter in order to do things "in accord with the realities of society," this matter should be widely discussed. And more weight should be given to having the various branches of the military take part in the discussions and in coordinating things with other units.

Thus, before a definite decision is made on purchasing F-16 aircraft, this matter should be discussed once again by a defense organization, that is, the Defense council, which is composed of senior officers from each of the services. In the past, when a problem has arisen between the services or between the military and an outside institution, the Defense Council has been used on numerous occasions to make a decision on the matter. The F-16 matter is a matter that involves other institutions outside the military, such as the Ministry of Finance and the national bank, and those citizens who do not agree with purchasing this aircraft. Thus, this should be discussed carefully once again in order to arrive at a better and more definite conclusion.

And if it really is necessary to purchase this aircraft, the "resolution of the Defense council" will carry more weight than the desires of just a single group. If a few people stubbornly insist on purchasing

this aircraft, this will show that the military is going against the wishes of other groups. Thus, to solve this problem, the military should urge that this matter be taken up by the Defense Council to have this organization consider the matter carefully once more. If the result is a "Defense Council resolution," or a resolution of the entire military establishment," the opposition to this will probably die down.

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CSO: 4207/106

MILITARY AFFAIRS AND PUBLIC SECURITY

SECRET CHINESE REPORT ON INDOCHINA SITUATION MADE PUBLIC

Hanoi NHAN DAN in Vietnamese 26 Feb 84 pp 2, 4

[Article: "Geng Biao's Secret Report, a Sinister Scheme"]

[Text] Editorial Note: on 16 January 1979, Geng Biao, member of the Political Bureau and general secretary of the Military Commission of the ruling Chinese party, delivered a secret report within the official circle in Beijing that analyzed the situation on the Indochina peninsula. The report, which was tape recorded by the Chinese authorities, subsequently fell into the hands of CHINESE COMMUNIST STUDIES Journal and has been printed by us below (as translated by VNA).

In the report, Geng Biao uses vitriolic words to distort the situation and slander Vietnam and the Soviet Union. However, his report is sufficient to show us the plan of the Beijing expansionists and hegemonists to rule all Indochina and the malicious intentions that led them to the war of aggression unleashed by them against Vietnam some 5 years ago. Through this report, the statements by Beijing reactionaries about "peace," "good will" and "revolution," about "supporting the Third World," about "China not being a hegemonist" and about "Vietnam committing aggression against China" are rendered meaningless.

(The subtitles have been provided by us).

"Celestial Court" Sent Reeling by Unexpected Blows

When Phnom Penh fell, Norodom Sihanouk and then Yeng Sary travelled to Beijing. The former Office of the Government of National Unity of the Kingdom of Cambodia (in Beijing) had to be put in order once again for these two gentlemen to use. All of these events would subsequently cause us many problems. Because the situation had changed very rapidly and in order to help the leaders of all levels and sectors of the Party Central Committee, the Standing Committee of the National Assembly, the government and the Military Commission of the Central Committee gain a thorough understanding of the situation, Chairman Hoa specifically appointed me to deliver, on behalf of the Party Central Committee, a summary report on the Indochina situation and provide a preliminary explanation of the Party Central Committee's evaluation

of the situation as well as the guidelines and policies for dealing with the situation from this point onward in order to avoid uncoordinated actions and difficulties in our work.

Today's address will not be distributed to the lower levels as other official documents of the Central Committee are. Some of its contents must be kept secret. In addition to circulating this address within related units, you may take notes on the general spirit and main points of the address. Following this meeting, you will be instructed in the methods of disseminating the information presented and the scope within which it must be contained.

Today, only two or three provinces are being protected by troops of the democratic Kampuchean government (that is, Pol Pot-Ieng Sary) and all agencies of the party and government are in the process of orderly withdrawal. Vietnamese forces (the Kampuchean revolutionary army assisted by Vietnamese volunteer forces) have reached the Thai border and are capable of occupying all of Kampuchea in less than 10 days. At the very outset, Vietnamese forces attacked Phnom Penh from three directions and then from five. After occupying Phnom Penh, they sent a force to establish a front along Route 5 to coordinate with a force attacking from Kompong Cham toward the northwest along Route 6. They continued to advance toward the provinces of Pursat, Battambang and Siem Reap. To slow the enemy's advance and protect the withdrawal of their own forces, the Kampuchean forces established a defense line between Kompong Cham and Kompong Thom and a second defense line in Siem Reap to stop the enemy's forces and gain time. In practically all other regions, they decided that no defensive measures could be taken and adopted plans for withdrawal to areas of favorable terrain. However, their morale had seriously declined because Vietnamese forces had attacked along Route 6 more rapidly than first predicted and could arrive in Battambang via a bypass route at any time. As a result, that defense line fell apart almost instantly. More than 7,000 Kampuchean troops were killed or captured. Even Son Sen (Pol Pot's minister of national defense) almost did not escape. Subsequently, he personally organized the fight to defend Battambang in an effort to gain time for the Party Central Committee (Kampuchean communists) to convene an emergency meeting, stabilize the situation and complete the withdrawal. Upon the completion of the withdrawal, some Kampuchean forces, travelling over two different routes, moved into the Cardamom Mountain region where they established a base and other forces advanced to the north to protect the withdrawal by troops and government personnel from the area along the border between Battambang and Siem Reap Provinces to the base in Thbeng Meanchey Province. Before the death of Sisophon on 13 January, the government and army of Kampuchea had completed their orderly strategic withdrawal, preserving one-half of their agencies and property and two-thirds of their armed forces.

Not surprisingly, the present situation is not the same. This incompetent army was forced to quickly withdraw into the mountains and wage a guerrilla war. Our plan and efforts to restore the Sihanouk regime also failed. Actually, we informed the United States of our intentions and received U.S. endorsement of the plan. As long as our plan could maintain peace in Southeast Asia and control the Soviet Union, the United States will make greater efforts than we. As long as we keep our part of the bargain, we need not worry about the United States interfering; "however, Phnom Penh has

already been lost for 7 months." To force Vietnam to withdraw its forces, we can join hands with the United States, Japan, Great Britain, France and the ASEAN countries and support Sihanouk's denunciation of Vietnam at the United Nations. Actually, we already know that Vietnam will not withdraw its forces. But our only purpose in doing so would be to gain some time to redeploy our forces and prolong the issue until the onset of the rainy season for continued discussion.

Advisors Take Flight, Others, Caught in the Middle, Remain

In December, 1978, the Party Central Committee decided to grant substantial aid to Kampuchea to enable it to deal with the new situation that could arise if negotiations failed to resolve the issue. We did our very best in every field, doing everything but sending our troops to that country. The government of Kampuchea had made a request to that effect before Uong Dong Hung visited Kampuchea and To Chan Hoa had also suggested that we dispatch a contingent of the Dong Hai fleet to Kampuchea to help them protect their offshore waters or dispatch a fleet simply to insure the success of the visit. Hua The Huu suggested that we send troops to Quang Tay to deliver a blow. However, after careful consideration, the Party Central Committee rejected the suggestion by To Chan Hoa and also decided not to endorse Hua The Huu's proposal. In the end, not one soldier was sent anywhere. Why was this?

Because of the geographical conditions and the political, economic and ideological circumstances of Indochina and other complicating factors, we could not employ a Hitler-style blitzkrieg to resolve the entire issue within the space of 3 months. The Americans, who learned a bitter lesson, probably understand this full well. Fighting in Indochina is hard and in no way appealing. Were we to send our army there, we would become bogged down and it would be difficult to say what the outcome would be. We, ourselves, are not strong enough to wage such a war of attrition unless, of course, we abandoned the four modernizations and had economic conditions and production capacity equal to those of the United States and Japan.

Kampuchea is only a small country. It is only the size of a province such as Ho Bac and has a smaller population than Beijing. However, the events there are related to very many issues. Realizing that one wrong move could spell disaster, we must proceed with utmost caution. Were we to enter a war and fight a major battle with the Soviet Union, enthusiasm would abound. But could we then hope to receive investments, loans and every other type of aid from the United States, the European countries and Japan for our four modernizations?

Even though we have not directly sent troops to fight in Kampuchea, we do not deny that we have had persons working in Kampuchea who, in addition to some persons performing construction work, have included a number of others helping the Kampucheans to fight. These persons numbered slightly more than 1,500. When the war situation became precarious in December, our foreign ministry informed Ambassador Ton Hao that we have no intention of participating in that war and ordered all our personnel there to prepare to leave one group at a time. However, the situation changed so suddenly that many of these persons were unable to leave in time. They are still in Kampuchea and have

voluntarily renounced their Chinese citizenship and taken Kampuchean citizenship. Consequently, they did not obey the withdrawal order of the Chinese Ministry of Foreign Affairs and have participated in the war of National Salvation against Vietnam. We have no way to prohibit them from doing so. Our stand concerning this issue is to "neither encourage nor oppose or prevent them." In the future, when the second liberation of Kampuchea has been achieved, they will still be sons of the Kampuchean people as well as heroes of that country. They will be our relatives but no longer Chinese.

A Request for Help from the Devil; Still Searching for Others of Their Kind

We permitted the government of democratic Kampuchea and a delegation from their party to establish an office of the provisional government in Beijing. They also directly requested that Thailand permit them to establish an office in Thailand or on the border with their country. Recently, our vice chairman, Deng, sent the following proposals to the deputy prime minister of Thailand:

1. Establishing more effective cooperation with China with a view toward opposing expansion by the Soviet Union and Vietnam and maintaining peace and stability in Southeast Asia and the Asia-Pacific region.
2. Continuing to support the democratic government of Kampuchea, recognizing the legitimacy of that government and permitting it to open an office, public, quasi-public, or even clandestine, on the Thai border.
3. Continuing to permit civilians and party, government and army cadres of the democratic government of Kampuchea who are being oppressed to receive political asylum and granting them the right to go to China or other places through Thailand. At the same time Vice Chairman Deng suggested that the Thai deputy prime minister inform the prime minister and government of Thailand that it is the hope of the Chinese government that the government of Thailand will permit China to send material aid to Kampuchea through Thailand.

Considering the circumstances of the moment, the Thai Communist Party displayed a relatively high international spirit. Although the party's forces are very small, they have sent a number of military units far to the south, to the Thailand-Laos-Kampuchea border to help the Kampuchean army fight. To avoid direct clashes with the Thai armed forces, some of these units have travelled several hundred miles through Lao territory to help Kampuchean relocate. Some of the members of the Thai Communist Party (*) engaged in clandestine activities were ordered to do everything they possibly could and had to risk their lives to help democratic Kampuchea in intelligence work behind enemy lines. In addition, a delegation consisting of seven ranking cadres of the Central Committee of the Thai Communist Party and operations cadres travelled by the Con Minh Trail on 12 January to the Chinese border. Soon, they will arrive in Beijing. The main objective of this delegation is to join our party and the Kampuchean Communist Party in discussing the Indochina situation, establishing guidelines and plans concerning the struggle in the future and reaching detailed agreements concerning our assisting them.

According to the initial plan for supporting Kampuchea, we should have supplied to Kampuchea by December of last year equipment for three divisions

and provided a full supply of grain, medicine and ammunition for 100,000 troops while supplying the troops on the frontline with ammunition depots. However, there is no common border between ourselves and Kampuchea because Vietnam and Laos lie in between. As a result, large aid shipments can only be sent by sea. The appearance of Soviet and Vietnamese warships in the offshore waters of Kampuchea shortly after the fall of Kampuchea has been predicted. If they are constantly using the waters that lie offshore from the Thailand and Kampuchea border to enter Kampuchea, we will become a very exposed target. Even if we are not impeded at sea, there is the possibility that they will discover how we are operating and attack and interdict us on the mainland. Of course, it will be difficult to send material aid by sea but there are still some other methods that can be employed. At the very least, the U.S. naval forces within this region can do a number of things to help us. On the one hand, they can observe the movements of the Soviet warships and, on the other hand, inform us of the position of Vietnamese ships. At the end of this month, when Vice Chairman Deng visits the United States, he will raise this matter with Carter. It would be best for the United States to actively participate in this matter but also good if it provides us with covert assistance. In addition, the United States has suggested that we open the port of Shanghai to the 7th Fleet. We maintain that opening the port of Yu Lin (on Hai Nam Island) would benefit the stability of Southeast Asia better. As far as Thailand is concerned, it would be fine with us if they operated under the guideline of keeping "one eye open, one eye closed" (knowing what is happening but remaining silent) and, if necessary, allowing the Thai people to fight to the end with Vietnam. This would not cause us any problems at all.

Rescuing Accomplices, Turning Wolves Loose on Friends

In addition, we must rely upon shipments by road from the north to the south. In the previous war in Vietnam, the Ho Chi Minh Trail passed through Kampuchea. Today, we can give thought to building a trail that runs through Burma and Thailand. We would have to rely primarily upon the Thai Communist Party, without them, this effort could not succeed. Although this more than 1,000 kilometer road would pose difficulties to the shipment of a large quantity of aid goods, it would, in the future, at least help us to establish shipment stations and communication lines to support Chinese and Kampuchean personnel. Of course, the Thai communists who are secretly travelling to Beijing now have more than just this one matter to discuss. In my opinion, Thai communists will play a very important role in supporting Kampuchea in the future. Consequently, in the immediate future, we are prepared to persuade them of the need to realize who their immediate, major enemy is and not adopt viewpoints that differ from those of the Thai government with regard to the stand taken concerning Vietnamese hegemonism. Of course, we do not mean to say that they must lay down their weapons and stand in line to register with the government in Bangkok; however, they can at least reduce their direct clashes with the Thai government. By doing this, we can, on the one hand, help Thai communists preserve their forces and, on the other hand, encourage Cri-ang-xac [Vietnamese phonetics] to resolutely join with us in supporting Kampuchea and, on this basis, eventually achieve the participation of the ASEAN countries, at which point everything will proceed more smoothly. Were we to also receive the support of the United States, Japan, Great Britain and France, Kampuchea's prospects would be incalculable.

The situation is so well defined that Thailand cannot stand apart from it. A look at the map shows that the most convenient and shortest route for shipping material aid to Kampuchea would be a road through the territory of Laos. In such a case, the Lao guerrilla forces (that is, the Lao reactionaries) would have the advantage. I shall not discuss this point any further. Everyone must understand this fact.

In the mountains of Thailand, Burma and Laos, there are most effective forces, forces even more effective than the Thai communists. They are the Koumintang forces, and you should not underestimate the forces of the Koumintang in these regions. The forces of the army and government in Burma have wanted to attack them many times but always suffered heavy losses. The armed forces of the Burma Communist Party and Thai communists also dare not fight them. In the past 30 years, their basic strength has remained undiminished, with the exception of two times when international pressure forced them to send a contingent of their forces back to Taiwan. The present attitude of both the Burma government and the Thai government toward them is one of concession. The fighting strength of the Koumintang forces is very powerful. In those regions, they frequently launch guerrilla war against us. If these forces can be persuaded to help us wage a guerrilla war against Vietnam, the situation would be made far better than it could by anything that the pitiful groups of Thai communists might be able to do.

At the end of this month Vice Premier Deng will visit the United States. Surely he will be able to arrange some sort of alignment with the United States against the expansion of Soviet influence throughout the world and concerning ways to prevent the Cuba of the Far East (that is, Vietnam, in the words of Beijing) from stirring up trouble in Indochina. If no major difficulties are encountered and if the guerrilla war in Kampuchea can be prolonged until 1981, the situation might be totally reversed. Our tasks at this moment are very large. In the diplomatic arena, we must openly exert our influence and use every available channel to persuade the countries of the world to not recognize the lackey regime backed by Vietnam. We must also intensify our support of the revolutionary government inside Kampuchea so that it does not fall apart before a good situation emerges. On behalf of our party and government, Chairman Hoa and Vice Chairman Deng have announced to the world that our government will support the government of Kampuchea until the end of its fight. Thus, all of us must, within the scope of our function and capabilities, look for every way to perform this task well.

Finally, allow me to discuss our work and tasks that lie ahead. We must resolutely continue to give the democratic government of Kampuchea unswerving support. We will do everything possible to support their fight against Vietnam for national salvation. We will support their fight until the end, regardless of how long it might take and regardless of how high a price must be paid.

Bearing a Deep Grudge, Beijing Sets Course for Aggression

Today, on behalf of the Party Central Committee, I once again state that our present attitude is in no way an expression of weakness but an expression of patience and conciliation designed to achieve an objective that is reasonable,

beneficial, specific and limited. Although we now say that we will not fight each other, this does not mean that we will not fight each other in the near future because, if they push us to the point where we must take action, we will have no regret at all over not having fought, but once engaged in battle, we must win victory. We have completed the deployment of border defense forces in the region of the southwestern border but why have we been so slow to attack? We must, for the first time, generate public opinion first and bring Vietnam to the witness stand of international judgement before we can educate the people, build the morale of the cadres and soldiers of our army and cause the entire world to sympathize with and support us, at which time we can go a round with them and bash them to pieces.

FOOTNOTES

* The Thai Maoist organization, a lackey of Beijing.

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ECONOMIC PLANNING, TRADE AND FINANCE

THANH HOA STRIVES TO ATTAIN 1984 GOALS

Hanoi NHAN DAN in Vietnamese 21 Feb 84 p 3

[Article by Ha Trong Hoa, Secretary of the Thanh Hoa VCP Committee: "Thanh Hoa Is Determined To Victoriously Attain 1984 Economic-Social Goals"]

[Text] Since the Fifth Party Congress and the Ninth Provincial Party Organization Congress, the party organization and people of Thanh Hoa have created a strong new transformation and attained encouraging accomplishments.

Among the notable accomplishments were its great victories in the production and mobilization of grain on the agricultural front. During the past 2 years Thanh Hoa has met the province's grain needs and begun to fulfill its obligation to the state. The lives of the people, especially the peasants, in the province have been stabilized and improved.

Industry, small industry, and handicrafts have overcome many difficulties regarding fuel and raw materials, reoriented production, and restored and developed a number of traditional sectors and trades which are local strengths. Although the production of such new consumer and export goods as jute and rush items, the various kinds of paper, wooden items, woven rattan and bamboo, earthenware, marble, manioc and corn processed into fiber, shrimp fritters for export, Bong Sen cigarettes, etc., was not great, good prospects were created for exploiting the rich potential of the province's industry, small industry and handicrafts.

With regard to capital construction, the province has effectively implemented the slogan, "The state and the people work together, the central and local levels work together," and concentrated on guiding the completion of the key projects and on overcoming the situation of dispersal. In 1983 the province mobilized 6,650,000 workdays to build water conservancy projects and dikes to push back the sea, create rush fields, and build roads.

State purchasing to control the sources of goods, especially grain, agricultural products, and food products, achieved good results. Exports are undergoing a strong transformation. Market management to fight speculation and blackmarketing has been carried out resolutely.

Transferring workers to develop new economic zones is becoming a mass movement. During the 1981-1983 3-year period nearly 10,000 workers and a total of more

than 23,000 people were transferred to the new economic zones, principally in the southern provinces.

The maintenance of security and social order and safety, and the struggle against negativism have improved and many important cases have been brought to trial. Strict discipline has been enforced toward a number of cadres who committed serious mistakes.

The mass movements were broadened and developed in many respects. Outstanding were the movements to participate in production labor and construction, fulfill obligations to the state, purchase Fatherland Construction Bonds, etc.

Those were results of consolidating and strengthening solidarity and unity in the party organization, improving the leadership ability of the party committee echelons, developing the management role of the governmental administration, especially the district echelon, and promoting practical activities by the mass organizations, in order to bring into play the people's collective mastership right and utilize combined strength. The party organization and people in the province thoroughly understand the lines and policies of the party and the resolutions of the Party Central Committee, and receive the guidance and assistance of the Party Central Committee, the Council of Ministers, and the central organs.

Under the light of the resolutions of the fourth and fifth party congresses, our Provincial Party Committee has reviewed the limitations and weaknesses of the movements, such as agricultural development not being comprehensive and solid. The 1983 goal of 760,000 tons was not attained, in part because of objective reasons, such as the 10th month season being affected by prolonged serious drought and by great damage caused by storms and floods, and in part because the leadership and guidance of the echelons and sectors from the provincial level down to the basic level has not been adequately concentrated on creating high-yield rice areas, allowing subsidiary food crops to decline with regard to both area and output, lack of positiveness in correcting deficiencies in implementing the system of contracting out final output in agriculture, and the slow rate of development of short-term industrial crops and animal husbandry.

The province does not yet have effective policies and measures for developing the strengths of the piedmont and mountain regions or for developing forestry and ocean fishing. Industry, small industry, and handicrafts have been slow to correct the deficiencies that have been uncovered, such as failure to do a good job of serving agricultural, forestry, and fishing production, and failure to concentrate on doing a good job of using local raw materials with great potential, in order to fully utilize the capacities of equipment and labor forces. The productivity, quality, and effectiveness of the activities and tasks of production and commerce are low and have not received adequate attention.

The principal reason is that because of subjective, conservative thinking awareness of the struggle between the two paths and the struggle between ourselves and the enemy is still simplistic and vague. The clearest manifestation is failure to grasp the content of simultaneously carrying out the

three revolutions. Adequate attention has not been paid to consolidating and perfecting the new production relations. The scientific-technical revolution has not played the key role. The cultural-ideological front and the building of the new man and the new family have been neglected.

There are still many difficulties, but the Thanh Hoa movement is on the rise. For the sake of the common requirements of the national revolution and the essential requirements of the lives of 2.6 million people in the province, and on the basis of exploiting the many local capabilities, we are determined to attain the 1984 plan norms, further advance the movement and create solid conditions for the victorious attainment in 1985 of the objectives set forth by the Fifth Party Congress and the Ninth Congress of the Provincial Party Organization.

We have determined the key missions of the 1984 plan:

1. Continuing to concentrate highly on the key mission of comprehensively developing agriculture, including forestry and fishing. The most important objective is endeavoring to attain 800,000 tons of grain, an increase of 14 percent over 1983. The industrial crop area will increase 89 percent.
2. The development of industry, small industry, and handicrafts, tied in with and in balance with agriculture, forestry, and fishing. Strongly developing the traditional trades bases on local raw materials and increasing the total production value by 24 percent over 1983. The total amount of investment capital will increase 28 percent.
3. Strongly developing exports, especially agricultural products, forestry products, and processed maritime products. The value of exports will increase four-fold over 1983.
4. Doing a good job of providing jobs for workers in the cities and coastal areas. The number of workers and people sent to develop the new economic zones will nearly double in comparison to 1983. Planned parenthood will be promoted and the population growth rate will be reduced to 1.9 percent.
5. Organizing and redistributing the transportation forces among the provincial, district, and basic levels. Increasing investment in developing maritime and riverine transportation forces, and developing roads in the mountain region.

In order to ensure the victorious fulfillment of the above-mentioned key missions, we will stress the good implementation of the following principal measures:

In the immediate future, continually consolidating and strengthening the new production relations. The state installations will adjust and supplement the production-commercial guidelines and rectify management. The agricultural cooperatives will correctly carry out the product contracting-out system and resolutely oppose the relaxation of management and blank-check contracting out. The agricultural cooperatives will strengthen the collective economy by readjusting the contracted out output norms in areas with low contracted out

norms and restoring and building collective animal husbandry farms, especially for the raising of breeding hogs. The transformation and construction missions will not be relaxed for a moment.

Scientific-technical advances will be extensively applied to production and life. The scientific-technical cadres, facilities, and material bases will be concentrated on the key areas and the leading sectors, especially the high-yield rice areas and the communications-transportation sector.

The education, culture-art, and mass information sectors will concentrate on doing a good job of educating, propagandizing, and proselytizing the masses, in order to continually heighten the socialist consciousness, spirit of revolutionary vigilance, and fighting will of the cadres, party members, workers, civil servants, and the people. We will strengthen our self-reliance and struggle to overcome subjective thoughts, "accomplishmentism," and conservatism, especially among the key cadres of the sectors and echelons. We will launch and closely guide a movement to study and surpass the advanced models in the province.

The development of district and the strengthening of the district echelon will be promoted. The provincial-level sectors will complete the division of labor and decentralization to the districts during the first 6 months, and provide practical help for the district echelon. The district echelon will advance to exercising all-round leadership and guidance. The province and the districts will coordinate the consolidation and construction of the basic level, and step up service to the basic level. In building and consolidating the basic level, priority will be given to building pure, strong basic-level party organizations and to improving the managerial effectiveness of the village and subward governmental administrations. Attention will be paid to building the mass organizations at the basic level which have practical activities. We will build militia, self-defense, and public security forces to serve as the hard core in production, maintaining order and security, struggling against negativism, and promptly opposing all sabotage acts of the enemy.

The standing committees of the provincial party committee and the provincial people's committee will directly guide the development of five key districts - Tho Xuan, Dong Son, Quang Xuong, Cam Thuy, and Quan Hoa -- and the city of Thanh Hoa.

In the immediate future, we will motivate the province's party organization and people to concentrate on winning an outstanding, all-round victory in the fifth month-spring season, and regard that as an opening battle with the most important, decisive significance in victoriously fulfilling the 1984 plan.

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ECONOMIC PLANNING, TRADE AND FINANCE

THANH HOA'S 1984 ECONOMIC-SOCIAL GOALS LISTED

Hanoi NHAN DAN in Vietnamese 21 Feb 84 pp 3, 4

[Unattributed article: "Principal 1984 Economic-Social Goals"]

[Text] Agriculture --

Grain production: 800,000 tons, with subsidiary food crops accounting for 16.2 percent. Average per-capita grain production: 300 kilograms.

Industrial crop area: 38,300 hectares, with concentration on the development of four main crops: peanuts, 18,000 hectares; tobacco, 1,500 hectares; rush, 3,200 hectares; and sugarcane (in concentrated areas), 2,700 hectares.

Animal husbandry: 100,000 water buffaloes; cattle, 105,000; hogs, 700,000 (with crossbred hogs accounting for 60 percent of the total number of meat hogs); ducks, 2.15 million; and the raising of fish on 8,500 hectares.

-- Forestry:

Planting 25,000 hectares of forest; cutting 30,000 cubic meters of timber, 2.5 million large bamboos, 4 million small bamboos, and 48,000 cubic meters of firewood.

Fishing:

Catching 15,000 tons of ocean fish; the production of 6 million liters of fish sauce; 300 tons of shrimp for export.

-- Salt:

A production area of 380 hectares and an output of 32,000 tons.

-- Industry, small industry, and handicrafts (at fixed prices):

Total production value of 230 million dong, with state industry accounting for 73.3 million dong and small industry-handicrafts accounting for 156.7 million dong.

Capital construction:

Total investment capital of 175 million dong.

-- Communications-transportation:

Transportation volume, 4.62 million tons; transshipment volume, 135 million tons/kilometers; concentration on promoting the development of water-borne transportation.

-- Distribution-circulation:

Total value of state purchasing of local goods, 1,560 million dong, and of industrial goods, 895 million dong. The principal goods purchased by the state: 180,000 tons of grain in paddy equivalent; live pork, 11,000 tons; 1,200 tons of tobacco; 5,000 tons of ocean fish; dry salt, 32,000 tons; 2 million duck eggs; peanuts in the shell, 11,000 tons; and rush, 20,000 tons.

-- Exports:

Export value, 640 million dong, a per-capita average of 240 dong.

-- Population growth plan:

Lower the population growth rate to 1.9 percent.

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ECONOMIC PLANNING, TRADE AND FINANCE

HO CHI MINH CITY RESIDENTS MAKE SAVINGS DEPOSITS

Hanoi NHAN DAN in Vietnamese 13 Feb 84 p 2

[Unattributed article: "In Ho Chi Minh City Hundreds of Thousands of People Participate in Making Savings Account Deposits to Purchase Grain"]

[Text] In Ho Chi Minh City hundreds of thousands of people have deposited more than 80 million dong in savings accounts to buy grain, thus helping the state overcome its difficulties regarding capital with which to grain at retail prices to serve the people.

The precinct and district grain stores worked with the Women's Federation and the neighborhood teams in propagandizing and explaining the benefit of making deposits in savings accounts. The various places gave priority in the distribution of rice to households which had made savings account deposits, and especially to poor families.

More than 2,200 retail rice agents do a good job of fulfilling their function of "accepting savings deposits" in many flexible forms, thus creating favorable conditions for the people to make many deposits, depositing a little each time. If they have a few dong in change due them after purchasing rice, those sums can also be recorded in savings books. The agents keep careful records for each person, then deposit the money in subward savings accounts. Binh Thanh Precinct, in which 94,000 people deposited more than 7.4 million dong, led the way. Precincts 1 and 11, Tan Binh Precinct, etc., also deposited 8 and 11 million dong to purchase grain.

The grain corporation has made many all-out efforts to improve and perfect state purchasing, transportation, distribution, etc., and deliver high-quality, low-cost grain to each household on time. In its activities the corporation has paid attention to speeding up capital circulation and attaining 10 cycles a year in order to both improve the quality of service and attain increasingly higher economic effectiveness.

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CSO: 4209/214

ECONOMIC PLANNING, TRADE AND FINANCE

BINH TRI THIEN BANK SERVES AGRICULTURE

Hanoi NHAN DAN in Vietnamese 13 Feb 84 p 2

[Unattributed article: "Binh Tri Thien Bank Serves Agricultural Production"]

[Text] The Binh Tri Thien bank has made many all-out efforts to concentrate investment capital on serving agricultural production. In 1983 233 million dong -- 104 percent of the plan norm -- were invested, 103 million dong of which were long-term capital for strengthening material technical bases and 133 million dong of which were short-term capital to meet production expenses. The agricultural cooperatives borrowed 51 million dong in long-term loans and 130 million dong in short-term loans, a two-fold increase over last year. The cooperatives concentrated their long-term loans on building 30 medium and small water conservancy projects (including 19 water reservoirs and 11 pumping stations), thus increasing the number of water conservancy projects built jointly by the state and the people since 1981 to 63. Those water conservancy projects created the capability to irrigate, drain, and prevent salinity on 12,730 hectares. In addition to making long-term loans to serve intensive cultivation, the bank invested 15 percent of its long-term loans in developing the raising of water buffaloes and cattle in places in Tuyen Hoa, A Luoi, and Trieu Hai districts which have pastureland.

The bank lent 130 million dong to meet production expenses so that the cooperatives could buy more than 8,000 tons of organic fertilizer, 800 tons of insecticides, and 1,720 tons of oil for use in fighting waterlogging and drought.

The borrowed capital was concentrated in high-yield rice areas, so more than 100 cooperatives attained rice yields of five tons or more of paddy per hectare, and many cooperatives attained yields of 8 to 10 tons.

In 1984 the Binh Tri Thien will continue to invest credit capital and distribute budgetary capital, and contribute to fulfilling the province's foremost objective: attaining an output of 530,000 tons of grain. In addition, it will concentrate capital on building the water conservancy projects in order to strongly develop short-term and long-term industrial crops, especially export crops with high economic value, such as peppers, peanuts, tobacco, pepper, rubber, coffee, and tea, and set aside 15 to 20 percent of the capital invested in agriculture to develop animal husbandry, and increase the number of water buffaloes and cattle to nearly 200,000 and the number of hogs to 540,000.

AGRICULTURE

AGRICULTURAL COOPERATIVIZATION PROMOTED IN TIEN GIANG

Hanoi NHAN DAN in Vietnamese 21 Feb 84 p 2

[Article by Dang Minh Khiet: "The Pace and Depth of the Agricultural Cooperativization Movement in Tien Giang"]

[Text] During the recent period Tien Giang has concentrated its guidance on advancing the agricultural cooperativization movement at a rapid rate.

By mid-August 1983, 131 of the total number of villages, and 675 of the total number of hamlets in Tien Giang had cooperatives and production collectives. Two districts -- Go Cong Tay and Cai Be -- 69 villages and towns, and 507 hamlets and wards had essentially completed the cooperativization of agriculture. At present, the 23 cooperatives and 2,140 production collectives in the province include more than 65 percent of the peasant families and 63.5 percent of the cultivated area. The collective sector owns and manages the use of 395 tractors, 7,819 pumps of the various kinds, 7,816 draft buffaloes and oxen, more than 2,000 rice threshers, more than 3,500 insecticide sprays, 447 winnowing fans, nearly 1,000 plows, harrows, threshers, etc. In the process of contracting out land according to labor capabilities, the province has distributed 4,528 hectares belonging to 14,560 families with surplus land to 15,453 families with little or no land to till.

In 22 cooperatives and 1,786 production collectives there have been mobilized more than 13 million dong in capital, including production capital and the collectivization of production means. That does not include more than 27 million dong borrowed from the State Bank for production, to purchase machinery, and to build material-technical bases. Twenty cooperatives and more than 250 production collectives have built drying patios, warehouses, water conservancy works, and production installations. Sixteen of those cooperatives are able to use electricity and pumps in the fields. Many units have gradually advanced animal husbandry to the status of a principal production sector, expanded small industry and handicrafts, and built rice milling installations. A number of cooperatives and production collectives have formed production alliances, joint ventures, and specialized groups and units, and have gradually carried out a new redivision of labor in order to do a good job of exploiting the potential of the local labor, land, and trades.

An important lesson of Tien Giang are taking good advantage of time and concentrating on cadre training in order to create a corps of core cadres for

the movement. By means of a system of schools Tien Giang has trained management, accounting, labor norms, planning, statistical, vegetation protection, veterinary, irrigation, machinery, and other cadres, while also organizing short-term training for cadres in each district and village. Therefore, the province has 18,000 cadres, including 5,000 management and accounting cadres who are truly effective tools of the cooperatives and production collectives. In 1982 alone the province trained 9,100 additional cadres for the cooperativization movement. Furthermore, in order to create harmonious coordination between the leadership cadres and the implementing cadres, the Provincial Agricultural Committee took the initiative in giving supplemental management training to the key cadres at the district and village levels, while at the same time preparing management guidance materials for the cooperatives and production collectives. Therefore, the quality of the collective production units were gradually increased (95 percent of the cooperatives and more than 80 percent of the production collectives are "good" or "average"). The Agricultural Service organized four management systems which assumed responsibility for the leadership and production reorganization functions, including production and commerce, the application of scientific-technical advances, and the study and recommendation of mutual-aid economic lever policies for the cooperatives and production collectives. The agricultural organs at the district and city levels utilized and developed four systems: administrative-economic, scientific-technical, production-commercial, and organization-management.

On the basis of the four systems at each echelon, 140 villages and subwards have production management apparatus which are tied in with the district plans in the sphere of developing agricultural-industrial districts. By the Agricultural Service and the District Agricultural Sections have effectively carried out a number of tasks, especially the development of the district echelon, the formation of a state-collective economy commercial system, and the gradual shrinking of the individual economy in the rural areas. The organizational system has gradually been improved and serves both as a lever and to stimulate the collective economy into promptly developing its role and cause the peasants to enthusiastically enter into collective production.

After investigations and reviews in the districts, the key cadres who were capable and well-trained were assigned responsibility in the key aspects of production commerce. The administrative-professional apparatus was also rationally organized and made more effective. The districts have at least 93 cadres and the district with the most cadres has 250. In some districts the Agricultural Section was assigned three district party committees, with a member of the standing committee of the district party committee serving as the head.

For more than a year Tien Giang, implementing directives 93 and 100 of the Secretariat of the Party Central Committee, has applied the system of contracting out final output to workers, with rewards and punishments, in the process of encouraging peasants to set up production collectives. The creative feature of the locality is that all steps, from encouraging the formation of cooperatives and production collectives to the division of income, are prepared in advance and one step creates the premises and conditions for the next step. After they are formed, the cooperatives and production collectives carry out

basic studies and surveys to grasp the land area, workers, population, and other means of production which are relevant to the requirements of production, and categorize land in order to contract it out rationally. The second step is drafting economic-technical plans, plans to distribute income, plans regarding living conditions, activity bylaws, and agreements regarding contracting. All of those matters are democratically discussed and voted upon by cooperative member and collective member conferences. In the third step, after the conferences, the cooperative and production collective management boards are responsible for organizing implementation. Planned production-commercial management includes the management of land, labor, technical materials, and capital, and sector management includes cultivation, animal husbandry, processing, storage, transportation, and the trades. Because they acknowledged the importance of management many cooperatives and production collectives, such as the Binh Tan and Thuan Phong cooperatives in Tan My Chanh village (municipality of My Tho), the Binh Hoa Long, Binh Tay, and Binh Phu cooperatives in Go Cong Tay District, the Ninh Binh and Trung Hoa cooperatives in Cho Gao District, the Cuu Hoa production collective in Than Cuu Nghia Village (Chau Thanh District), collectives 1 and 5 in Binh Nhi Village (Go Cong Tay District), seven production collectives in Viet Hung hamlet, Binh Nghi village (Go Cong Dong District), the production collectives in Hoi Cu Village (Cai Be District), and the Tan Hoi cooperative in Cai Lay District, unified their management, collectively used land, capital, and materials in production and commerce, and continually improved the living conditions of cooperative members and collective members. In accordance with the principle of labor cooperation, with a division of labor and special concern for economic effectiveness, the collective economic units have attained the desired results, created favorable conditions for fair distribution, and ensure harmony among the interests of the state, the collectives, and the workers. Adequate attention is paid to the interests of cooperative members and collective members, which encourages them to work and produce positively and to unite in building strong cooperatives and collectives. Planned management has helped the collective economic units analyze the effectiveness of production-commercial activities, confirm the objectives requiring concentrated investment of capital, labor, and technical materials. That method was tried out in 20 cooperatives and 725 production collectives over a period of between one and seven seasons, and the remaining three cooperatives and thousands of production collectives applied it during the summer-fall and 10th month seasons of 1983, thus ensuring the strength and advance of the basic level. The results of on-the-spot inspections and examinations show that the cooperatives and production collectives ensure the income levels and living conditions of cooperative members and collective members, under the conditions of production increasing more rapidly than when it was individual in nature. Implementing directives 57 and 19 of the Secretariat, the adjustment of land to meet the requirements of product contracting and the specific capabilities of each family was carried out successfully. The citizens' consciousness of their obligations and responsibilities toward the state was raised. Unified cooperative and production collective plans were drafted at the district level and on the basis of the requirements of the over-all economic structure. The district has taken the initiative in guiding the crops and livestock in both the collective and economic sectors. Even in the beginning, when there was no money to collectivize machinery and agricultural implements, the cooperatives and

production collectives managed and use them to serve intensive cultivation, increase the number of growing seasons, and increase labor productivity, and brought scientific-technical advances to the fields.

Tien Giang has gradually expanded the sectors and trades in the cooperatives and production collectives. The units have gradually added rice milling, cane sugar, tailoring, export rug, carpentry, and masonry trades. Many collectives and cooperatives pooled their capital to bring in electricity to serve production, and jointly constructed installations to process animal feed, jointly operated such collective welfare installations as public health clinics, nursery schools, and day-care centers; organized cultural-artistic units, etc., to further enhance the transformation of the rural areas, and gradually expanded the system of economic-technical clusters in the sphere of the district.

Tien Giang has preliminarily recapitulated the transformation of agriculture at the village, district, and provincial levels, correctly evaluated the recent period, and manifested determination to complete the cooperativization of agriculture by the deadline, and with the quality, stipulated by the Party Central Committee.

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AGRICULTURE

THANH HOA CREATES HIGH-YIELD RICE AREAS

Hanoi NHAN DAN in Vietnamese 21 Feb 84 p 3

[Article by Nguyen Van Gia: "Create High-Yield Rice Areas"]

[Text] Thanh Hoa has a wet rice area of between 240,000 and 250,000 hectares, 80 percent of the total grain-growing area.

During the past 3 years (1981-1983), grain production in Thanh Hoa made clear progress. In 1982 it produced 720,000 tons, including 590,000 tons of paddy, which amounted to 81.6 percent of the total annual grain output and was an increase of 36.1 percent over the average rice output of the 1976-1980 5-year period.

Since the application of the new contracting out policy in agricultural production, the cooperatives and cooperative member families have paid attention to making effective in-depth investment. Many progressive models have appeared. During the 1981-1982 fifth month-spring season only 22 cooperatives in the province attained rice productivity of more than 40 quintals per hectare, but during the 1982-1983 fifth month-spring season 53 cooperatives attained between 40 and 58.3 quintals per hectare (and seven cooperatives attained an average yield of between 51 and 58.3 quintals). There have taken form high-yield rice areas on an increasingly larger scale: in 1981-1982, they totalled 7,170 hectares, and in 1982-1983 the total increased to 18,668 hectares. During the 1981-1982 fifth month-spring season the high-yield rice area amounted to 62,000 hectares and during the same season in 1983 it amounted to 95,000 hectares. Those were clear results of the victorious implementation of the economic-technical measures. Those results also reflect the rich capabilities of the land and the organization and guidance ability of the echelons and sectors, especially the district and basic echelons, with regard to the production of grain. They also indicate an effective working method. Under the conditions of limited capital and technical materials, if investment is concentrated and all capabilities of each cooperative member family and individual worker are exploited, there will be created high yields and highly effective intensive cultivation of wet rice.

Developing that victory, Thanh Hoa is continually perfecting the new contracting out system, strengthening the material-technical factors, and expanding the intensive cultivation, high-yield rice area, in order to exploit the great latent capabilities of 240,000 to 250,000 hectares with regard to

growing wet rice. By creating high-yield rice area: the province has solidly resolved its grain problem, created stability in production, and met the annual local grain needs. It has increasingly larger quantities of commodity grain with which to meet its obligations toward the nation.

In order to meet the 1984 grain production norm of 800,000 tons (in paddy equivalent), of which rice accounts for 80 percent, in addition to a large number of effective economic policies the Thanh Hoa provincial party committee has paid attention to guiding the creation of intensive cultivation, high-yield rice areas. During the present fifth month-spring season the plan calls for bringing into production 45,000 hectares (90,000 hectares for the whole year) in Tho Xuan, Dong Son, Thieu Yen, Trieu Son, Nong Cong, Hoang Hoa, and Quang Xuong districts and the agricultural cooperatives in the outskirts of the city of Thanh Hoa. The other districts and cities have drafted plans to create high-yield rice areas for each unit. Tho Xuan has completed the zoning of 3,000 hectares, has an investment plan, has introduced progressive production processes and applied advanced techniques, and is striving to attain an average yield of 50 to 60 quintals per hectare during this year's fifth month-spring season, an increase of 15 to 20 quintals per hectare over previous seasons. In 1984 Tho Xuan is striving to attain a total grain output of 830,000 tons, an increase of more than 10,000 tons over 1983.

The standing committee of the Provincial Party Committee and the Provincial People's Committee has assigned to each member of those committees responsibility for directly guiding seven key districts and has instituted the system of cadres of the echelons and sectors going to the basic level. It has a suitable policy for mobilizing the ability and intelligence of the corps of management cadres and technical cadres in that central mission. The Secretary of the Provincial Party Committee and the Chairman of the Provincial People's Committee are responsible for directly guiding a district in order to gain experience in over-all leadership.

The high-yield rice area in Thanh Hoa has been expanded every year in order to victoriously attain the norm of 850,000 tons of grain in 1985 and 900,000 tons of grain or more in the plans of future years.

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AGRICULTURE

RICE PLANTING SITUATION IN NORTH AND SOUTH REPORTED

Hanoi NHAN DAN in Vietnamese 21 Feb 84 p 1

[Unattributed article: "Northern Localities Take Advantage of Warm Weather To Sow Additional Seedlings, Step Up Spring Rice Transplanting Rate; Southern Provinces Complete Planting of Winter-Spring Rice, Attain 92 to 96 Percent of Plan Norms"]

[Text] According to the Statistics General Department, as of 15 February the nation had transplanted 1,141,405 hectares of winter-spring rice, which was 65.7 percent of the plan norm and 94.1 percent of the number planted during the same time last year.

During the past few days the weather has gradually become warmer and the transplanting rate in the northern provinces has increased rapidly. On the average, 14,000 hectares have been transplanted. The Zone 4 provinces have attained 72.3 percent of the plan norm and Binh Tri Thien attained 91 percent. The provinces of the Red River Delta had attained 35 percent of the planting norm and Hai Phong attained 92 percent. The midlands region attained 57.7 percent and the mountain region attained 58 percent. One of the mountain region provinces -- Bac Thai -- attained 72.4 percent.

Bitter cold which lasted nearly 2 months killed 19,936 hectares of rice seedlings, 1.4 times more than during the same period last year.

Many cooperatives lack rice seedlings. The prolonged bitter cold also killed 38,000 hectares of rice, concentrated in the provinces of Vinh Phu, 8,108 hectares; Ha Bac, 7,967 hectares; Ha Nam Ninh, 5,213 hectares; Thanh Hoa, 5,022 hectares; and Thai Binh, nearly 3,000 hectares.

At present, the cooperatives in the north are continuing to carry out inspections and to rebalance the existing rice seedling area with the area to be transplanted, and take prompt steps to overcome the shortage by thick-sowing seedlings, growing seedlings on hard ground, and directly sowing the rice. They are tending and fertilizing the remaining seedlings and the newly sown areas. At the same time, the bases are endeavoring to mobilize the various sources of supplementary fertilizer dressings; combining weeding with seedling thinning; protecting the fifth-month and early spring rice plantings from the cold; concentrating labor and draft power to step up soil preparation; and creating favorable conditions for the rapid planting of the spring rice

during the best part of the season. Each district and cooperative is closely guiding sowing and transplanting to ensure the proper transplanting density and the proper number of seedlings per cluster, but extreme economizing in the use of seedlings in order to transplant the entire area.

In order to have additional organic fertilizer for rice and the other crops, the cooperatives propagated 34,348 hectares of azolla, an increase of 14.2 percent over the same period last year.

The localities are also endeavoring to quickly bring in water to promptly plow and harrow in order to transplant the spring rice. At present the irrigated area amounts to 85 percent of the plan norm.

During the coming period the weather will gradually become warmer (the average daytime temperature will be 17 to 18 degrees Centigrade and the lowest will 15 degrees Centigrade), which is favorable for agricultural production, especially the planting of spring rice.

The provinces in the central coastal area and the Mekong Delta have ended the planting of winter-spring rice but attained only 92 to 96 percent of the plan norm. The eastern Nam Bo provinces are continuing to plant and have attained only 51.4 percent of the plan norm. The transplanted rice is developing well. The rice area affected by insects and diseases, especially army worms, has increased to 140,000 hectares (the total at the same time last year was 72,000 hectares). The localities are positively spraying insecticides to guard against insects and diseases, eliminate them, and prevent them from spreading.

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CSO: 4209/217

HEAVY INDUSTRY AND CONSTRUCTION

NA DUONG COAL MINE STRIVES TO ATTAIN 1984 GOALS

Hanoi NHAN DAN in Vietnamese 15 Feb 84 p 2

[Article by Nguyen Thanh Van: "Na Duong During the 1984 Coal Season"]

[Text] This spring the Na Duong coal mine will be 25 years old. In 1983 the mine fulfilled all aspects of its coal mining and earth removal plans and the other economic norms, and fulfilled the norms of 114,000 tons of clean coal and 610,000 cubic meters of earth and rock. Immediately after fulfilling its 1983 plan the entire mine began the 1984 coal season with a new spirit.

This year Na Duong will mine 150,000 tons of clean coal and remove 1 million cubic meters of earth and rock, an increase of nearly 40 percent over 1983 with regard to coal and more than 40 percent with regard to earth and rock. According to director Trieu Tung, this year's norms are higher than last year's but the equipment and investment capital provided to the mine by the state will not increase very much. In view of the coal needs of the cement mills, we will mobilize the combined strength of the entire mine and exploit the existing capabilities in order to gradually develop and expand the mine by modern mining techniques. The mine's first measure is to promote the transportation and machinery elements and combine mechanical and manual labor to increase labor productivity.

The mine will expand the implementation of contracting out in the important links of the production line, set accurate, rational norms for each production team, expand the holding of specialized conferences regarding each aspect and the drafting of plans from the bottom up, and widely implement the assigning of salary funds and bonus funds to the directors for their management and use. After each work shift, people who surpass their norms receive, in addition to their stipulated salaries, in-kind supplementation. Expanding the authority of the directors in rewards and punishments in their sphere of responsibility serves to promptly mobilize and stimulate the workers' enthusiasm for work. After the implementation of that measure, productivity and quality clearly increased. Many workers voluntarily went to the work site 20 to 30 minutes early to prepare the vehicles and machinery. When there were electricity outages at night the workers lit lanterns so that they could repair and maintain machinery and resume production immediately after electricity was restored. During one shift Nguyen Van Lang's steamshovel attained productivity of 2,296 cubic meters, one day coal scooping team No 6 attained 140 percent of its plan norm, etc. The application of the new contracting-out system in the

mine also helped the management cadres forge the work style of remaining close to the basic level, promptly resolving problems in production, and overcoming the situation of sluggishness in the different elements.

Although the weather is cold, the entire Na Duong mine is seethingly endeavoring to fulfill its first quarter plan by 21 March to commemorate the 25th anniversary of the opening of the mine.

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CSO: 4209/214

HEALTH, EDUCATION AND WELFARE

HO CHI MINH CITY WORKS TO SOLVE HOUSING PROBLEM

Hanoi NHAN DAN in Vietnamese 15 Feb 84 p 2

[Article by Nguyen Van Tuan, Director of the Real Estate and Public Works Management Service of Ho Chi Minh City: "Housing in Ho Chi Minh City"]

[Text] Ho Chi Minh City has 393,849 houses with a primary use area of more than 23 million square meters, including 18 million square meters of housing for 700,000 households totalling more than 3.3 million people. The primary use area accounts for only 76 percent of the total building space. Part of the remaining nearly one-quarter of the area can be put to better use.

In recent years the city has made all-out efforts to improve and rearrange housing and has provided 23,658 houses, with a total area of more than 2 million square meters, to the laboring people and 48,380 houses, with a total area of more than 3 million square meters, to workers, civil servants, and members of the armed forces, thus stabilizing housing for more than 70,000 families. That does not include houses assigned to meet public needs, such as headquarters of organs and enterprises, foreign organs, central and local organs, commercial stores, day-care centers, nursery schools, etc.

However, due to the consequences of the deployment of population, housing construction, social organization and management, etc., of the old regime, 46,000 families in the city live in houses that are too small or above canals and arroyos and do not have the minimum sanitation conditions. Of that total, 25,995 houses are inhabited by 246,131 people, an average per capita area of less than two square meters, and 18,000 families are now living above drainage canals.

Every year the city's natural and mechanical population growth rates increase. The natural increase amounts to about 65,000, 18,000 couples get married, and 27,000 people enter the city from other places. Although there is more housing in the city than in other places, it is insufficient to meet the rapidly increasing needs of economic and cultural-social development. In view of that situation, the city's real estate and public works sector is concentrating all efforts on implementing the resolution of the Third Municipal Party Organization Congress for the 1984-1985 2-year period, which stated that "With regard to housing, it is necessary to implement the decisions regarding the improvement of housing in the southern cities and the directives of the chairman of the Council of Ministers regarding the readjustment of housing,

mobilize the capabilities of the sectors, echelons, organs, and enterprises to repair and construct housing for workers, civil servants, and poor laboring people who are homeless or whose homes are too small and dilapidated; promote the production of construction materials to sell to the people so that they can repair their houses; have specific annual plans to clear away "slums" from the canals and workers' districts; and endeavor to, in a 2-year period (1984-1985) readjust housing, fully utilize vacant houses, build new housing and carry-out large-scale repairs in order to provide 10,000 to 15,000 houses to people in the above-mentioned categories.

The general direction is that the city will give number-one priority in the distribution of housing and the repair of housing to disabled veterans and retired cadres, assign housing to some homeless people, and build "brotherhood houses." Improving the living conditions of the workers, and especially of the people who are living in the workers' districts and above dirty canals is the most urgent objective of the housing and public works sector. That will not only manifest concern for the health of the laboring people but will limit environmental pollution and ensure the dredging of canals in correct accordance with technical specifications to drain dirty water which stagnates and floods in many areas after heavy rain storms, damage the water drainage network, and harm the durability and useful life of many buildings and infrastructures, such as roads, underground electrical wires, water mains, etc. In order to gradually fulfill those missions, the city is concentrating on implementing the following measures and plans: resolutely adjusting the use of housing in correct accordance with policies and regulations, and fully exploiting the existing housing in order to meet part of the people's housing needs. First of all, it will immediately adjust and reduce the area used for the administrative work of the organs and enterprises, and recover buildings that were constructed as housing but have been transformed into places of production, which harms the buildings. With regard to the subward level, it is necessary to fully carry out the decision of the Municipal People's Committee regarding the administrative working area and public welfare standards at the subward level. An investigation of the space used for administrative work in 131 subwards in Precinct 6 revealed that 83 subwards used 20,200 square meters more than were necessary. In Precinct 11, 38 houses were recovered. If the space gained by redeploying and rearranging the houses used for administrative and public welfare purposes by the echelons and sectors in the city, in accordance with rational standards, it would be possible to recover more than 100,000 square meters to distribute to about 3,000 households.

With regard to the district and municipal levels, the Municipal People's Committee is continuing to study the setting of appropriate standards regarding the use of space for administrative purposes. An investigation of the use of 1,204 houses for administrative purposes by 12 municipal-level organs revealed that 17,672 square meters were being used beyond the standards stipulated by the state, including 339 houses which were being used for improper purposes and 408 houses which were not being used legally. The space being used in excess of standards was sufficient to distribute to 400 families. According to a plan to consolidate the administrative area and for organs to use houses jointly in Binh Thanh Precinct, it is possible to free 1,000 square meters. Counting the other precincts, the total is 10,000 square meters. By listing real estate for rent in the city, combined with the investigation, adjustment, and rational use

of space in several thousand instances and with regard to the ownerless houses, Binh Thanh Precinct was able to recover about 20,000 square meters, which is sufficient for 500 families. There are still a number of buildings in the city the construction of which began under the old regime but which have not been completed, and a number of houses which, because they were built of primitive materials or were built long ago and have fallen into serious disrepair, are no longer in use. According to investigatory data, there are 1,400 buildings in those categories which will undergo major repairs, be improved, have a storey added, or be expanded so that they can be used. The city also has a plan to make good use of houses left behind by families who moved abroad, so that they can be assigned to homeless people.

However, if housing is readjusted and reorganized in accordance with a rational system the city still can meet only 50 percent of the needs of people who are experiencing serious difficulties with regard to housing. Therefore, it is necessary to invest in the construction of about 7,000 additional houses by using state capital, the capital of the central and local organs and enterprises in both the state and collective sectors, and capital contributed by the people to repair and upgrade houses and to build new houses.

A very important matter in the city's housing work is "opposing the degrading of houses."

One of the city's very difficult responsibilities is to, by all means, maintain, and gradually improve and upgrade, housing, and on that basis more effectively serve the great undertaking of economic and cultural-social transformation, construction, and development, so that it can be worthy of being a great economic center, a center of international commerce, and a national tourist center, and a city which plays the second most important political role, after Hanoi.

Although the difficulties are very great, by bringing into play combined strength in accordance with the slogan "the state and the people work together and the central, local, and basic levels work together," along with the strength of mastership by the three echelons, it is certain that the city can clear away unusable housing, get the organization of housing repair onto the right track, provide safe housing for residents, gradually meet all needs of the people, and create civilized, convenient living conditions for the people of a socialist city.

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