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## Southeast Asia Report

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11 July 1985

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AUSTRALIA

# HAWKE INTERVIEWED ON NATIONAL TAX SUMMIT STAND

BK201332 Melbourne Overseas Service in English 1100 GMT 20 Jun 85

[From "Australian Insight" program moderated by (Angus Morgan)]

[Excerpts] On 3 July, leaders of most sectors of Australian society will gather in the House of Representatives chamber in the Federal Parliament Building in Canberra for a week of discussions on Australia's taxation system. The so-called National Tax Summit will be hosted by the prime minister, Mr Hawke, and his treasurer, Mr Paul Keating, the architect of the government's proposed new tax scheme. The scheme's most contentious aspect, as we have already pointed out many times, is the proposal that most goods and services be subject to a 12.5 percent consumption tax.

Mr Keating has spent the past 2 weeks lobbying for acceptance of his proposals. He is now being joined by the prime minister, Mr Hawke, fresh from a week's holiday. With Warwick Beutler, he is discussing why overall income tax paid by Australians should be reduced and why indirect taxation should be used as a means of earning more revenue.

[Begin recording] [Beutler] Mr Hawke, you say there is broad community support for your preferred tax position. Yet, we have seen strong opposition to all or part of it from various sections of the community. Where is the evidence of your contention?

[Hawke] Well, let me say this: If you look at the proposal that has been put up, I have not seen any evidence yet of the emergence of an alternative proposal. What you have seen is objections--questions--to certain elements of the proposal. That is not only legitimate; it certainly is to be expected. Now, if we had a position where you are really seeing the emergence of a position which said now, here is the way to go, as distinct from the preferred government's position, then I think that will be different. Now, I accept the adequacy of what you say--that there has been a widespread criticism of elements. That is right. What we will do between now and the summit is to continue to put what--on the evidence available to me and to the treasurer--makes us believe that our preferred option, with admitted difficulty, is the still best way of going. If up to and at the summit we get compelling evidence that there is a better modified, qualified way to go, then that will be done.

[Beutler] Well, you have always expressed confidence that the union movement will come aboard the cart. But what is going to entice them to do so?

[Hawke] Well, very simply, these facts: Firstly, the way the existing system has been decaying has meant that an increasing burden has been imposed upon their membership. At this point of time, 39 percent of full-time wage and salary earners are paying 46 cents of every marginal dollar they receive in tax. If this is allowed to go on, by the end of this parliament well over 50 percent will be in that situation, and that will be an intolerable position. It will mean that the 46-cents-in-a-dollar rate will come in at \$17,000 of income. That is intolerable, will be unacceptable to working men and women, and I believe to their organizations.

Secondly, if nothing is done substantially about the existing system, then you will have a continuation of the position whereby more and more of the burden is being imposed on ordinary wage and salary earners. That is intolerable and unacceptable with working men and women of this country. So, something substantial has to be done to reduce, and to reduce significantly, marginal rates on the dollar earned by people in employment. That can only be done, I believe, if you have a significant and equitable alternative base of revenue.

I believe that the broadening of the tax base--the direct tax base--that is involved in the proposal, in the preferred option, together with the consumption tax--which will be very, very much more than compensated by substantial direct tax cuts, plus the fact that by the broad base consumption tax you get what is referred to as a fiscal dividend; that is, a contribution of the revenue from those very substantial high-level income earners who do not pay any tax at the moment--all those things mean that the ordinary wage and salary earners in this country and those dependent upon them will be very, very much better off directly and they will also be saved as I say from an increasing burden that will inevitably be imposed upon them if we do not reform the system.

[Beutler] Were you serious when you suggested that you would rather lose government than see these reforms fail?

[Hawke] That is not (exactly) what I said. What I said was this, and I do not in any way retreat from what I am saying: If I came to the view after the summit that there was a large measure of support, satisfying (principle) [word indistinct] for the approach we are talking about, but that you still have a situation where you might be disaffecting some people and that you ran a risk in those circumstances of losing office, I would not be diverted because I believe that the ordinary people of Australia--the ordinary men and women of Australia--and those dependent upon them have increasingly been subjected to a position where they are carrying an infinitely greater, more inequitable burden than they should. In economic efficiency terms, I know that the future welfare of this country is being prejudiced by continuation of this grossly inadequate, inefficiently, and inequitable system. Now, if I

come to the conclusion that the sort of reform we are atalking about--and that it has broad support--is the way to go but that there would be certain interests who would try and use that approach to defeat the government, then I will still go down that path. That is what I believe my obligation is. And if in taking a decision to achieve that result I run some political risk, I say: So be it. I will repeat that. [End recording]

CSO: 4200/1120

AUSTRALIA

BRIEFS

TRADE WITH PRC. PROVINCE--An Australian trade mission to Anhui Province in eastern China has negotiated agreements in agricultural and food processing industries expected to result in sale amounting to more than \$3 million [Australian dollars]. The mission, comprising 11 Australian businessmen led by a representative of the Department of Trade, Mr Paul Barratt, concluded 17 agreements. Mr Barratt said the mission identified new areas for development of trade between Australia and Anhui Province. He said Anhui officials expressed particular interests in possible joint venture arrangements with Australian companies in such areas as cement production, food processing, building materials technology, and wool textile production. During a visit to Australia by a trade mission from Anhui 1 year ago, contracts worth more than \$2 millions were signed. [Text] [Melbourne Overseas Service in English 0130 GMT 18 Jun 85 BK]

CSO: 4200/1120

BURMA

# ARMY ENFORCES NATURALIZATION LAW IN ARAKAN

East Burnham ARABIA in English May 85 p 12

[Text]

The Burmese government has deployed additional troops and immigration officers in Arakan in order to force Muslims to apply for naturalised citizenship, *Arabia* has learned from Rohingya Muslims who have managed to cross over to Bangladesh in recent months.

The sources say that during the last two months nearly 15 new army outposts have been opened in Muslim areas. Troops are helping immigration officers intimidate Muslims either to leave the country or to accept second class citizenship as stipulated in the 1982 citizenship law.

The law specifies three types of citizenship. But the decision as to whether any ethnic group is "national" or not rests with the Council of State, the highest policy-making body of the government. The Rohingyas fear that the citizenship law will deprive them of their land, language and culture. There are more than 2.5 million Rohingyas who have been living in Burma for centuries.

The Rohingya Solidarity Organisation has appealed to international organisations to put pressure on the Burmese government to stop imposition of the new citizenship law upon Muslims of Arakan.

CSO: 4200/1103

11 July 1985

BURMA

## BRIEFS

TRAINING FOR SHAN REBELS--Chiang Mai--About 400 Shan United Army (SUA) troops have arrived at a Tai Revolutionary Council (TRC) camp opposite Chiang Dao District of this northern province for military training, Border Patrol Police sources told the BANGKOK POST yesterday. The sources said the troops, led by Maj Saeng Dao who is a Chinese Haw, came from the three Burmese villages of Ban Mae Or, Ban Khai Luang and Ban Son Klong which are all situated opposite Mae Hong Son Province. The troops arrived at Pang Ami Sought last Sunday for three months of training in preparation for operations against other minority groups, the sources said. Meanwhile thousands of leaflets expressing opposition to drug kingpin Khun Sa were distributed in two villages of Mae Ai District on Tuesday. The sources said the leaflets, written in Thai, English, Shan, Burmese and two other dialects, were distributed in Ban Mae Ai and Ban Tha Thon. They urged people not to believe statements made by Khun Sa and the TRC which was formed this year and claims to be fighting against the Burmese Government. The sources said the leaflets appeared to be directed primarily at Thais of Thai Yai extraction who live in the area. [Text] [Bangkok BANGKOK POST in English 20 Jun 85 p 5 BK]

CSO: 4200/1116

INDONESIA

# NAVY CHIEF ON REDUCTION OF RANKING OFFICERS

BK201134 Jakarta SINAR HARAPAN in Indonesian 14 Jun 85 pp 1, 12

[Excerpt] Jakarta, 13 June--Naval Chief of Staff Admiral M. Romli has said that in the new naval organization structure, the number of high-ranking naval officers with the rank of navy commodore or above will not exceed 46. The naval chief of staff said this in an exclusive interview with SINAR HARAPAN when he was asked to comment on public assumptions that there are too many high-ranking military officers in Indonesia.

Speaking at the interview in Ambon shortly after dissolving the Maluku 9th Naval Regional Command, the naval chief of staff said that the number of high-ranking naval officers in the old organizational structure was 70, adding that the number of officers in the new structure already includes the chief of staff himself, high-ranking officers at the naval headquarters, and other officers stationed in areas outside Java. However, the 4-star admiral did not say whether the naval officer replacing him will also be a 4-star admiral.

As is known, when Admiral Sudomo (currently minister of manpower--SINAR HARAPAN editor) assumed the post of naval chief of staff, there was already a plan to reduce the number of high-ranking Indonesian naval officers with the highest one being a 3-star vice admiral. In the new naval organizational structure, the three newly installed naval deputy chiefs of staff hold the rank of 2-star rear admirals only. The only 3-star vice admiral we now have is Vice Admiral T. Asikin Natanegara, a former naval deputy chief of staff.

Admiral Romli admitted that with the reorganization of the navy and the dissolution of all eight naval regional commands, there will be stiff competition among navy colonels for promotion. Normally, the post of a naval regional commander is commanded by a 1-star navy commodore. Two naval regional commanders in Java even hold the rank of 2-star rear admiral.

CSO: 4213/259

INDONESIA

BRIEFS

INDONESIANS STUDYING IN JAPAN--Jakarta, 18 June, KYODO--President Suahrto expressed hope Tuesday that Japan would invite as many Indonesian students as possible to study in Japanese universities. The president reportedly made this known during a meeting with Minister of Transmigration Martono. Martono was reporting to Suharto on his recent trip to Japan with some 300 Indonesians whose studies in Japan were funded by the Tokyo Government as part of war reparations. Officials said Suharto showed particular interest in Prime Minister Yasuhiro Nakasone's idea of inviting Asian 100,000 [as received] youths to study in Japan. The president reportedly pointed out that Indonesia is the world's third most populous nation following China and India, and said he hoped Japan would invite as many Indonesian students as possible. [Text] [Tokyo KYODO in English 0028 GMT 19 Jun 85 OW]

POLICE REORGANIZATION PROGRAM--Police Chief General Anton Sujarwo has deactivated the Main Central Command as part of a police reorganization program. The police chief later installed a number of senior officers attached to the National Police Headquarters. The official ceremony took place at the National Police Headquarters in Jakarta on 17 June 1985. [Summary] [Jakarta Domestic Service in Indonesian 1200 GMT 17 Jun 85 BK]

CSO: 4213/259

LAOS

# VIENTIANE HAILS SRV'S TRUONG CHING'S PRK VISIT

BK120322 Vientiane Domestic Service in Lao 1400 GMT 11 Jun 85

[Unattributed "article": "No Enemy Can Shake the Great Strength of Special Solidarity Among Laos, Vietnam, and the PRK"]

[Text] After its successful official visit to the LPDR in late May, a high-level Vietnamese party and state delegation led by Comrade Truong Chinh, Political Bureau member of the CPV Central Committee and chairman of the SRV Council of State, paid an official friendship visit to the PRK and returned home with glorious success on 8 June. These visits have shown the enhancement of the special solidarity, friendship, and all-round cooperation among the three fraternal Indochinese peoples, which have been fruitfully developed as never before, in particular in the economic, cultural, scientific, and technical fields, which have been positively and properly implemented in accordance with the spirit and the letter of the summit coinference of Laos, Vietnam, and the PRK in Vientiane in February 1983.

The Lao people are very pleased to see that over the past years, the special relations militant alliance, and all-round cooperation among the three countries of Laos, Vietnam, and the PRK, which have been tested through the struggle against the common enemies--the past struggle against both old and new colonialists as well as the present struggle against the big-nation expansionists--hegemonists and the international reactionaries--have been continually consolidated and strengthened on the basis of pure Marxism-Leninism and proletarian internationalism. These significant visits of Comrade Chairman Truong Chinh to the two fraternal countries--Laos and the PRK--took place at a time when the situation in Southeast Asia as well as in other regions of the world was tense as a result of the arms-race policy pursued by the U.S. imperialists and the implementation of the expansionist policy by the international reactionaries. The visits, therefore, profoundly prove the uncrushable strength of the special solidarity and all-round cooperation among Laos, Vietnam, and the PRK. The three Indochinese countries have always wanted to see Southeast Asia become a region of peace and cooperation and to see relations between the Indochinese and ASEAN groupings improve. This desire has been shown in the joint statements issued by Laos and Vietnam and between Vietnam and the PRK following the visits by Comrade Chairman Truong Chinh of the SRV. In the joint statements, Laos, Vietnam, and the PRK have voiced full support for the peace initiatives and proposals of the Soviet Union and other fraternal socialist countries.

The Lao people, together with the Cambodian people, sincerely welcome and hail the success in the visit to the PRK by the high-level Vietnamese party and state delegation led by Comrade Chairman Truong Chinh. This successful visit has constituted an encouragement for the entire PRK party, army, and people to compete joyously in defending and building their country and leading it on a continuous march forward. It has also resulted in further strengthening the special solidarity and all-round cooperation among the three Indochinese nations. In addition, it has served as another defeat for the imperialists, the Beijing big-nation expansionists-hegemonists, and various reactionaries in the region, who have hoped to disrupt the solidarity among our three peoples and finally to annex each country.

The Lao people are convinced that following the successful visits to Laos as well as the PRK by Comrade Chairman Truong Chinh of the SRV, the militant solidarity, special relations, and all-round cooperation among our three parties, states, and people develop fruitfully to another step and that they will serve as important factors guaranteeing victory in the struggle to safeguard and build socialism in each country. The Lao people are also convinced that the visits will significantly contribute to maintaining peace and stability in the region and the world.

CSO: 4206/143

LAOS

PHOUMI VONGVICHIT INTERVIEWED BY JAPANESE PRESS

BK140549 Vientiane Domestic Service in Lao 1400 GMT 12 Jun 85

[Interview with Phoumi Vongvichit, vice chairman of LPDR Council of Ministers, given to visiting Japanese correspondents on 10 June--read by announcer]

[Text] [Question] What are the achievements scored in the 10 years since the establishment of the LPDR? What are the hopes for the future?

[Answer] After scoring a victory in the 30 years of fierce struggle against the foreign aggressors, on 2 December 1975 we established the LPDR. In the nearly 10 years since that day the Lao people under the leadership of the LPRP and the LPRP government have tried to heal the wounds of war, inflicted upon four-fifths of Lao territory by U.S. bombs. The people of all tribes throughout the country have united as one to build the country together on the path leading to prosperity and progress. Compared to 10 years ago, I think that the Lao people have made much progress in many fields in building their country. Immediately after the establishment of the LPDR, the Lao reactionaries who fled from Vientiane, refusing to accept their defeat, sent several battalions of their armed forces to attack our people in the southern, central, and northern regions. After they were smashed and defeated, they gradually regrouped into several company-size units to set up ambushes against our forces. However, when these companies were once again smashed they formed into 3-man or 6-man squads to plunder the people along the Lao-Chinese and Lao-Thai borders. We regard this as a military victory of the Lao people.

Seeing that our country has become more secure, we have mobilized the people to engage in agricultural, handicraft, and light industrial work aimed at producing foodstuffs to meet the needs of our entire people. At the same time, we have also sent out cadres to mobilize the people of all tribes to learn how to read and write with a view to stamping out illiteracy among them. In 1945 when we began our national liberation struggle, an estimated 95 percent of our people were illiterate. When we established the LPDR in 1975, about 65 percent of our population remained illiterate.

In building the national economy, we have developed irrigation work, set up agricultural cooperatives and settlements throughout the country, and modified the method of rice farming by plowing soil deeper and applying fertilizer made from animal manure with that made from decomposed leaves and inorganic ferti-

lizer and selecting rice strains which can grow rapidly within a short period of time and give high yields. Our perseverance has gradually paid off. Since 1980, our annual rice production throughout the country has not been lower than 1.2 million metric tons. Last year, we managed to harvest 1.3 million metric ton of paddy and 100,000 metric tons of starchy crops. At the same time, we have also encouraged and assisted the people throughout the country to raise more large and small domestic animals and fowls. It can be said that at present, we are able to supply enough food to the Lao people of all tribes. However, we are not yet satisfied with the achievements we have scored. We are determined to further develop the economy in all fields.

In the educational field, we have gradually eliminated illiteracy among all tribes of our people since late 1983. In the meantime, we have also developed simultaneously both formal and vocational training education. We see the need to build more nurseries and kindergartens, elementary, secondary, and senior high schools as well as vocational training schools. At present, we have set up nurseries and kindergartens for all offices, organizations, hospitals, schools, agricultural coop-ratives and settlements, and every community in which there are more than 10 children and infants. Every village has an elementary school, every canton a secondary school, every district a secondary school, and many provincial seats vocational training schools.

In Vientiane alone, we operate a teachers training college, a medical school, a high-level postal and communications training school, a high-level school for training construction workers, a high-level electronics training school built with assistance from the Japanese Government, and the 2 December Polytechnic School which was recently inaugurated. In addition, we have also set up schools for many ministries to train intermediate-level cadres. We understand that the constant raising of the people's knowledge, especially among our young people, is an important factor for improving the tasks of national construction.

In the cultural and social domains, we have utilized all available methods to restore the work of arts and literature, including national literary and handicraft work, so as to create a happier and more joyful life for our people, thus strengthening the unity among the people of all tribes in the country.

Our public health work, which was formerly dependent on foreign countries, has now become partially self-sufficient and self-reliant. The public health network has been developed and expanded to the grass-roots level. Medical cadres have been assigned to almost every village to give immediate medical check-up and treatment to sick people. Almost all cantons have 3-bed health clinics to admit patients. Almost all districts have 6-bed hospitals staffed with intermediate-level physicians to treat patients. All provincial seats are equipped with hospitals with between 10 and 20 beds, staffed with high-, intermediate- and primary-level physicians to provide treatment to patients. In Vientiane alone, we have four hospitals with sufficient numbers of beds and physicians of all levels to attend to the health of the people. We have combined the use of modern and traditional medicine in providing treatment to patients throughout the country. Laos has a vast land area but few people. However, it has rich natural resources with an estimated 70 percent of land covered with forests full of several kinds of timber which are needed by many countries in the world. Moreover, our country also has iron and gold deposits

of good quality. Several other types of minerals have not yet been exploited. Thus, we are entertaining the hope that if world peace can be safeguarded in accordance with the aspirations of the people throughout the world, we will be able to build prosperity and happiness for the Lao people and will be able to establish good relations with every country.

[Question] What about national development and the building of civil prosperity?

[Answer] In my reply to the first question, I have already adequately discussed our national construction in the economic, educational, public health, cultural, and social fields. I would like to add something more on this. At present, we are building and repairing highways and installing more electricity and water supply systems in almost all localities. In this, we have attached special attention to building a highway connection to the sea through the SRV and, in the future, through the PRK as well to facilitate our transportation because we are a land-locked country.

As for the building of civil strength, we have applied the method of educating them in schools, at home, and within society. Children under 10 years of age are organized into groups of small children; between 10 and 15 years of age into Young Pioneers and between 15 and 25 years of age into youth organizations. We have applied all available methods to enable Lao youths to acquire a higher level of education, to have good health, to familiarize themselves with productive labor, to develop a line of thinking to train themselves to become well-informed and good citizens, and to develop a sense of patriotism and proletarian internationalism. Because our country has less population, every Lao citizen has to act simultaneously as a national defender and production promoter. The cherishing of humanitarianism, unity among the people of all tribes, use of labor for increasing production, striving for more knowledge, and peace are the fundamental mental bases of the Lao people. Implementing the policy of the party and state, the entire Lao people stand ready to peacefully coexist with every country, such as neighboring countries which have good intentions toward us.

[Question] What about relations between Laos and Japan?

[Answer] For several decades, the relations between the Lao and Japanese peoples have continued smoothly because we are both Asian peoples and are able to understand each other easily. The Japanese Government, having good intentions toward Laos, has rendered assistance to the Lao Government in many fields, such as in building a hydroelectric station at the Nam Ngum Dam which has become a sight-seeing attraction for tourists, a modern water supply treatment plant, a pharmaceutical factory for the Public Health Ministry, and a high-level electronics training school which has yet to be further expanded and in building a sports complex in the future. As far as I know, there are also plans to help the Lao Government build several other projects. Recently, the Japanese Government sent several gifts to Lao children on the occasion of the International Year of the Child, thus making our people extremely happy and grateful to the Japanese people and government. I believe that if the relations between Laos and Japan continue in the present pattern, they will become better with each passing day.

I would like to take this opportunity to ask you to convey the respect and affection of the entire Lao people and myself to the Japanese people. I wish the Japanese people good health and success in building a prosperous Japan and to cooperate with us in strengthening further the solidarity between our two nations.

CSO: 4206/143

LAOS

## VIENTIANE URGES THAILAND TO NEGOTIATE ON VILLAGES

BK150854 Vientiane Domestic Service in Lao 0500 GMT 12 Jun 85

[Unattributed Commentary: "Thailand Has Not Yet Abandoned Its True Nature of Aggression Against Laos"]

[Text] The Thai weekly journal WIWAT, in its 72d issue for the week of 28 May -3 June headlined a special news report that regarding the Thai-Lao border issue, Thailand will, while continuing to station troops in the three disputed villages, set up three new villages--Nos 7, 8 and 9--in Ban Khok Subdistrict to take the members of as many as 1,100 families volunteering to stay on the Thai bank. It added that this step can be considered as both a military and political victory. This report is not a fabrication cooked up by reporters with the hope of catching readers' attention. It is true that the Thai ultrarightist reactionary military group headed by Athit Kamlang-ek has not yet abandoned its evil schemes of provoking and challenging the LPDR with the intention of maintaining tension in the three Lao villages--Ban Mai, Ban Kang, and Ban Savang in Paklai District of Sayaboury Province--which it has used as the starting point for its aggressive policy toward Laos in accordance with plans received from the Eijing big-nation expansionists and hegemonists.

By attacking and occupying the three Lao villages on 6 June 1984, the Thai ultrarightist reactionaries openly encroached upon the sovereignty and territorial integrity of Laos and arrogantly violated both of the Lao-Thai joint statements signed in 1979. By so doing, they also trampled on the United Nations, to which both countries belong. In addition, such acts contradict the aspirations and interests of the Lao and Thai peoples, who want to coexist peacefully and be peoples of good fraternal and neighborly countries that have together survived for generations. The setting up of the so-called three villages for Lao refugees who have volunteered to live in Thailand by the Thai ultrarightist reactionaries--namely villages Nos 7, 8, and 9--in Uttaradit Province clearly shows that they have stubbornly continued to refuse to return the abducted Lao people to their native villages. It is certain that all the said 1,200 Lao people, like other Lao and Thai people, do not want to desert their homeland where they have earned their living for generations. Regarding this, those Lao people who have escaped from the Thai side have witnessed various brutal acts and threats by the Thai ultrarightist reactionary soldiers against the Lao people whom they herded to Thai soil. It is clear that the Thai ultrarightist reactionary soldiers herded the Lao people of the three

villages to Thai soil because they wanted to cover up their brutal acts and their true aggressive nature and to deceive the world public as well as the public in Thailand itself into believing that they still maintain a humanitarian spirit. It has also been undeniably proved through their intentional stationing of their rangers in the three Lao villages that the Thai side has not yet abandoned its provocation schemes and aggressive nature against Laos.

However, adhering to the desire to consolidate the good fraternal and neighborly relations between the two peoples of Laos and Thailand in accordance with the content and spirit of the two Lao-Thai joint statements signed in 1979 and in conformity with the common trend in the region--the trend toward turning Southeast Asia into a region of peace and without confrontation--the LPDR Government has proposed again to the Kingdom of Thailand, despite the failures in the talks on the past two occasions, to return to the negotiating table either in Bangkok or Vientiane to resolve the common problems. This has shown the consistent good intentions of the Lao side which has always wanted to restore the fraternal and neighborly relations with Thailand to meet the aspiration of the Lao and Thai peoples. But it is regrettable that the ultra-rightist reactionaries in the Thai ruling circles have not yet abandoned their true nature of aggression against Laos and still promote the atmosphere of tension and confrontation, as noted by the Thai journal WIWAT.

We resolutely denounced the said acts and demand that the Thai side end all its acts that will affect the fraternal and neighborly relations--an aspiration of the Lao and Thai peoples. We suggest that the Thai side return to the meeting and talks in order to promptly resolve our bilateral problems.

CSO: 4206/143

MALAYSIA

#### NEW ISLAMIC PARTY PLANNED

Kuala Lumpur NEW STRAITS TIMES in English 30 May 85 p 1

[Text] Kota Kinabalu, Wed.--The proposed formation of a new Islamic-based political party in Sabah has progressed further with meetings reportedly held here and in Tawau, Semporna and Sandakan.

A source close to the organisers' disclosed that the party would be called Bersatu Islam Sabah (BIS) or United Islamic Party of Sabah.

The source said professional groups such as lawyers, doctors, engineers, religious teachers and Muslim intellectuals with degrees from overseas and local institutions and businessmen had shown interest in the proposal.

Several former leaders of Usno, Berjaya, Berscpadu and Bersih are directly linked with the proposed new party, the source said.

Among them is former Usno deputy president and State Finance Minister Datuk Haji Dzul kifli Abdul Hamid. He is said to be one of the prime movers of the proposal and is actively working for its realisation.

The name of former Bersih president, Pendikar Amin Haji Mulia, has also been mentioned.

The source said the principle aim of the proposed BIS is to unite all Muslims in Sabah under one banner and to defend their interests and the interest of Islam. The source said the time had come for the formation of [words indistinct] in Sabah to unite all Muslims in the State.

He said the success of the Parti Bersatu Sabah (PBS) in the recent election was because Muslims were divided between Usno and Berjaya, not to mention other parties like Bersepadu and Bersih and even the PBS itself.

He said BIS hoped, with the cooperation of Umno, to help stabilise the political situation in the State and prevent Pas from coming here as it was considered an extremist party. BIS, he said, would be a moderate party that would abide by the teachings of Islam which were against repression, nepotism and violence.

CSO: 4200/1101

MALAYSIA

VOMD CARRIES 'ID MESSAGE ATTACKING GOVERNMENT

BK231435 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 20 Jun 85

[20 June 'Id al-Fitr Greetings from Abdullah C.D., chairman of the Malay Nationalist Revolutionary Party of Malaya Central Committee]

[Text] Peace be upon you! The fasting month of Ramadan has ended and the awaited 1 Shawal [20 June] has arrived. This significant and happy day is joyously celebrated by Muslims throughout the world, including Muslims in our country. In conjunction with this meaningful holiday, in the name of the Central Committee of the Malay Nationalist Revolutionary Party of Malaya [MNRPM]; I would like to extend my best wishes to all Muslims, all MNRPM members, all soldiers of the 10th regiment, as well as all Muslim soldiers in various units of the Malayan People's Army who fought bloody battles against the enemies for the sake of the nation, religion, and race. On this meaningful holiday, let us forgive each other, unite closely without any discrimination, as well as forget our differences. As a matter of fact this is the objective of fasting which we just performed in the last month.

While celebrating this year's 'Id al-Fitr, let us reminisce about the events that we experienced in the past 1 year. Knowledge of past events could assist us in foreseeing the future. The situation in and outside the country was good for the development of patriotic and democratic forces throughout the world, especially in our country. The situation in the world capitalist economy was badly hit by a crisis. Economic relations between West European countries and the United States as well as Japan continued to be critical. The world capitalist economic recession was drastically hitting the countries whose national economy depend on the big capitalist powers in the world. Next year, such countries will be more seriously affected by worse economic recession. It looks as though there will be no end to this crisis. Even trade protectionism measures continue to pose a threat to world trade.

On the other hand, socialist PRC is becoming more successful in its modern economic development. In the eyes of the world, it is gaining more prestige. In the Middle East, Israeli Zionists are suffering defeats from the Arabs, particularly the Palestinians. The Israelis have failed to subjugate Lebanon and are embarrassingly forced to withdraw from Lebanon. In fact the Israeli Zionists are under political, military, financial, and economic pressures themselves.

In Latin America, unprecedented upheavals against the United States have been growing.

In Afghanistan, the Soviet intruders are at a loss after being beaten by the Afghan people.

In the Philippines, the people's struggles, including the Moro National Liberation Front Muslim rebels fighting the fascist Marcos clique continue to achieve success after success.

In our country, last year marked the emergence of a Malay democratic and patriotic group which is incomparable to any group in the history of Malaya since it achieved independence on 21 August 1957. The democratic and patriotic force, including some members from the army and police, foiled the Mahathir-Musa clique reactionary regime's plot to wrest the powers of the Yang di Pertuan Agung [Paramount ruler] and the rulers. This was a great achievement in the struggle of Muslims in our country.

In the past year, MNRPM's struggle achieved success after success. This achievement spread the MNRPM's influence and was feared by the Mahathir-Musa clique's reactionary regime. All these show that the united front of democratic and patriotic organization, in opposing the bureaucratic capitalist class and the bureaucratic comprador capitalists as well as the imperialist group, has been getting stronger and more widespread. We should further strengthen our solidarity achieved thus far so that we will become more successful.

Now, let us view the position of the Mahathir-Musa clique reactionary regime which represents the interests of the bureaucratic capitalist class and the bureaucratic comprador capitalist throughout last year. Its position was very isolated. It faced various unresolved contradictions. It was faced with serious disintegration which it had never experienced before: The solidarity of Barisan Nasional was threatened by the crisis in the Malaysian Chinese Association leadership. A component party of Barisan Nasional, the Berjaya party, was defeated in the Sabah state election. The anti-UMNO [United Malay National Organization] movement was fast catching up in Sabah, while the same thing happened in Sarawak.

The effort of the Mahathir-Musa clique to usurp power through constitutional amendments was thwarted by all forces of democratic and patriotic organizations. As a consequence of the clique's bad deeds, UMNO was divided into prorulers and proreactionary regime groups; the UMNO Supreme Council membership also became divided.

Poverty in the country is steadily getting worse. Last year, in its address to welcome the 'Id al-Fitr festival, our country's reactionary regime urged Muslims to celebrate it in a simple manner due to the bleak situation of our country's economy. This year, the economic situation is even worse. All of us have to tighten our belts in celebrating this holy festival. All this hardship is caused by the reactionary regime's failure to utilize the

country's economic resources to the people. They have instead confiscated land belonging to the peasants through various tricks. In short, the New Economic Policy does not show any new reform that benefits the poor people. They have never tried to bridge the gap between the rich and the poor, either. What they have done is only shouting empty slogans.

Due to the dependence of our country's economy on foreign capital and debts, the outflow of money in the form of capitalists' profits and interests is steadily increasing, namely from 1.8 billion ringgit when the Mahathir-Musa clique assumed power in 1981 to 4.8 billion ringgit in 1984, and the figure is expected to swell to 5.6 billion ringgit in 1985.

The state debts are also swelling with the reactionary regime's foreign debts soaring from 5.2 billion ringgit when the regime assumed power to 37 billion ringgit at the end of 1984. This figure amounts to 51.7 percent of the state expenditure.

Due to the Mahathir-Musa clique's reactionary policies, the threat of racial tension became more and more severe last year, manifested in various forms, including racial polarization in high society, offices, secondary schools, and institutions of higher learning.

To extricate itself from its very isolated position, the Mahathir-Musa regime has created various issues in its effort to suppress the patriotic and democratic forces, especially opposition parties and political opponents. However, the regime continues to cover up one issue, which is actually the most important one--the loan scandal of the Bumiputera Malaysia Finance. UMNO leaders were involved in this scandal, which explains why the regime refused the appointment of a royal commission of inquiry.

However, all the issues the regime has created, such as the constitutional amendment, aimed at usurping the powers of the Yang di Pertuan Agung and the sultans; the UMNO-PAS [Pan Malaysian Islamic Party] debate; the ban of political gatherings in Kelantan, Terengganu, Kedah, and Perlis; the issuance of a white paper; the arrest of PAS leaders; and the assault by UMNO fascist members on Muslims in Lubuk Merbau, Padang Terap, in Kedah, and others have backfired.

The increasingly isolated position of the regime has necessitated an early general election for the regime to save its skin. However, due to the serious infighting within the Barisan Nasional and the defeat suffered by the Barisan Nasional during the Sabah state election in April this year, the clique has decided not to hold an earlier general election. In other words, it has to choose between the devil and the sea. So, it may resort to desperate actions, such as creating a racial riot and announcing a state of emergency with a view to defending its fascist rule for the time being.

Whatever the regime is doing, it shows that the bureaucratic and comprador capitalist class represented by the Mahathir-Musa clique is sitting on top of a volcano ready to explode. As such, on the occasion of the 'Id al-Fitr

festival, let us further foster unity among fellow Muslims, strengthen our united front, struggle for the establishment of a patriotic and democratic coalition government, and terminate the domestic war launched by the reactionary regime of the Mahathir-Musa clique! Besides, let us implement together what is written and stipulated in the MNRPM Manifesto for the nation, religion, and country to safeguard the constitutional monarchy system! May peace be upon you.

[Signed] Abdullah C.D., MNRPM chairman.

[Dated] 1 Shawwal 1405 Hegira [20 June 1985]

CSO: 4213/261

11 July 1985

MALAYSIA

## FULL COMMERCIAL PRODUCTION AT STEEL PLANT IN SEPTEMBER

Kuala Lumpur BUSINESS TIMES in English 22 May 85 pp 1, 24

[Article by Vong Nyam Ming]

[Text] Full commercial production and the handing over to the Heavy Industries Corporation of Malaysia (Hicom) of its \$800-million turkey steelworks at Terengganu is slated for September.

The Perwaja Terengganu plant, which is even now being commissioned in stages, is expected to produce about 195,000 tonnes of steel billets this year. The direct reduction plant is built to produce 600,000 tonnes of hot briquetted iron from which will be converted 560,000 tonnes of steel billets.

Officials of Perwaja Terengganu say that major plant facilities have been commissioned and are now on performance trial. The direct reduction shaft furnace and the gas refractories were the most recent piece of equipment to have been commissioned.

"There is going to be a performance test for the whole plant before it is officially handed over in August," said Encik Ahmad Kamal Mohd Ali, assistant manager.

Samples of the steelwork's output are now being distributed to users throughout the country for evaluation. Sampling and testing causes a time lag characteristic of starting up a steelwork.

It is understood that decisions on key issues like the pricing of natural gas and the use of the bulk terminal at the Tanjung Berhala supply base are still pending negotiations.

Natural gas underpins the workings of the steelworks and the pricing of the resources has been a bone of contention between Perwaja Terengganu and Petronas.

Perwaja Terengganu would like a low price while Petronas' policy is that its gas sales, including LNG sales to Japan, should be based on an oil equivalent price--a position that has been substantially eroded by Japan's commanding position in the world LNG market and new LNG compression trains in gas-producing countries.

Use of the oil equivalent formula for gas would be a handicap for Perwaja Terengganu at a time when the world steel market is feeling the pinch of falling sales to China, a top importer of steel.

A steel market analyst from Japan tells Business Times that the protection of Perwaja Terengganu is unavoidable to cope with the looming overhang of world steel production.

"If there is no subsidy in local steel production, it's going to be too competitive for Perwaja Terengganu. Steel is always the backbone of industrialisation and you can't deny the chain effect it has in a developed or developing country.

"Artificially high steel prices depress the export trade in manufactured goods. Look at what happened when Peristima started making tinplate locally and prices went up because of protectionism. Exporters of canned pineapple were hurt.

"When steel prices go up because of protectionism, there is going to be an even greater effect because steel is used everywhere.

"The best way to protect Perwaja Terengganu without increasing prices will be to supply natural gas at cheaper prices but the subsidy element must have a time limit or it will be meaningless," he said.

The second pressing item on Perwaja Terengganu's list is the lowering of usage charges imposed by the Tanjung Berhala supply base bulk terminal owned by the state government. Presently, it costs about \$200,000 to berth a 75,000 DWT bulk carrier for three days.

Perwaja Terengganu, set up in 1982, is 51 per cent owned by Hicom and 19 per cent by the Mentri Besar Incorporated Terengganu. The remaining 30 per cent equity is shared by eight Japanese firms with Nippon Steel holding half.

CSO: 4200/1101

MALAYSIA

VOPM BROADCASTS 'LETTER' TO RIVAL GROUP

BK251546 (Clandestine) Voice of the People of Malaysia in Malay 2200 GMT  
24 Jun 85

["Concluding part" of "Letter" to Malayan People's Army to commemorate 15th anniversary of 15 February and 22 March action: "Be United To Fight Against the Common Enemy"]

[Text] All comrades of the People's Army! For over 15 years, the Malaysian and Thai reactionaries have not renounced their desire to destroy our national revolution. They have launched one counterrevolutionary encircle-and-destroy campaign after another against various armed forces, including the People's Liberation Army and the People's Army. The vehemence of the enemy attacks on us is a fact that can be witnessed by the people in the border areas. All of us cannot help but know it. However, comrades belonging to various forces have never been (?frightened) by the enemy ambushed. On the contrary, they have strongly countered the enemy attacks by developing revolutionary heroism and have succeeded in achieving one victory after another. Our comrades have been hardened and tested in struggling against the enemy's encircle-and-destroy campaigns. Many comrades, who have joined the army from the border areas and other parts of the country and who have been accused by a handful of Northern Malayan Bureau authorities of being enemy spies and agents dispatched by the Kuala Lumpur regime, have become the mainstay and backbone of various units. Many of them have served in the army from 10 to 20 years. Some have even made valuable physical and moral contributions to the revolution. We are consistently holding high the red banner of the revolutionary armed struggle. Over the past 15 years, we have consistently trusted and served the masses, maintaining close communications with them and relying on them. Thanks to strong support from the revolutionary masses of various nationalities, we have succeeded in establishing contacts with underground organizations, further contributing to tasks in a united front, strengthening and expanding revolutionary base areas, overcoming many difficulties, and completing many tasks in various fields. The masses are intelligent. The broad masses in general and the masses in the border areas in particular understand, trust, and support us. That is why we are invincible.

Over the past 15 years, under the correct leadership of the party and thanks to our active efforts, the revolutionary friendship between all comrades of

the Malaysian People's Liberation Army on the one hand and revolutionary comrades at home and comrades-in-arms abroad on the other has been further deepened. We stand on the correct and just side, defending and expanding the revolutionary struggle. Relying on our own tactics and successes, we have won high praise from revolutionary comrades at home and abroad, fraternal Marxist-Leninist parties, and revolutionary comrades from your faction adhering to the truth. The genuine Marxist-Leninists will honor history and facts and be realistic.

All comrades of the People's Army! Provided that you take a scientific attitude in studying carefully and deeply and in comparing the history and situation over the past 15 years, we believe that you will not find it difficult to come to the correct conclusion in solving a problem. Over the past 15 years, a handful of Northern Malayan Bureau authorities have consistently unleashed treacherous charges against us. However, we can in no way cover up objective facts. We [words indistinct] due to condemnation and intimidation. To the contrary, we have become more powerful. Those who do not trust the masses and who do not respect history will be humiliated by the masses and eliminated by history.

Beloved comrades of the People's Army! All of us are noble soldiers, children of the people and sons and daughters of the heroic people of our fatherland. We have common aspirations and a common destiny and are facing the common enemy. Is there any reason that we cannot unite to fight against the common enemy? Is there any reason that we cannot help and contact each other? There is absolutely no reason for this. We should not allow a handful of Northern Malayan Bureau authorities to damage the solidarity and cooperation between us through a deliberate separation.

The reactionary Kuala Lumpur regime is actively developing the bureaucrat and comprador capital, strengthening its collusion with foreign monopoly capitalist groups, selling out national interests, implementing the policy of racial chauvinism, and perpetrating cruel exploitation and oppression against our countrymen. We as the people's revolutionary armed forces, should no longer fight separately once our countrymen from various nationalities and various walks of life rise up en masse to fight against exploitation and oppression and for democracy, equal rights, and their own immediate interests. All of us must unite to strike the reactionary Kuala Lumpur regime together and better fulfil the people's trust. This has become the hope of the people and revolutionary comrades at home and abroad. Only through unity will we not ignore the hopes of the fallen heroes and [words indistinct] future generations.

All comrades! Let us remove all obstacles, distinguish between what is genuine and what is fake, [words indistinct] errors through peaceful dialogue, and try to achieve at an early date a new solidarity and cooperation and a merger!

Before concluding this letter, we hope that you are physically and mentally healthy and wish you successes in battle!

MALAYSIA

VOMD CITES NEW TAMIL-LANGUAGE NEWSPAPER

BK250729 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 24 Jun 85

["News report": "PEOPLE'S HOPE, A Revolutionary Tamil-Language Newspaper, Is Winning Attention"]

[Text] PEOPLE'S HOPE, an underground revolutionary Tamil-language newspaper, has been circulating widely among Indian fellow countrymen since it was first published in May of last year. The newspaper has gotten the attention of patriots and democrats of all nationalities, in general, and of Indians, in particular. PEOPLE'S HOPE published three issues during the 1st quarter of this year.

The first issue carries 1985 New Year greetings, entitled: Be United, Carry on the Struggle! The greetings review the development of the patriotic and democratic movement launched by our countrymen last year and the Indian people's movement involving people from various walks of life engaged in various activities to fight discrimination and oppression that Indians have been subjected to in the political, economic, cultural, and educational fields and fight for racial equality. The greetings stress the struggles of plantation workers, most of whom are Indians, and say that the movement will exploit the situation to achieve a favorable outcome. Confidence is expressed that the efforts to achieve a people's democracy have a brilliant future, and Indian fellow countrymen are called on to unite closely with the people of all nationalities in the new year to further expand a patriotic and democratic united front and to try to establish a democratic coalition government comprising all patriotic political parties, patriots, and democrats.

In its second issue, PEOPLE'S HOPE carefully reports the struggles of plantation workers last year for monthly salaries and society's strong reaction. Entitled Plantation Workers, Fight Incessantly for the Right to Live, the report points out that a 3-year wage agreement between the Malaysian Union of Plantation Workers [MUTW] and the Malaysian Agricultural Producers' Association [MAPA] expired in July 1982. In negotiations between the trade union and the MAPA for a new 3-year wage agreement the former demanded that plantation workers be given monthly salaries. This demand is totally just, but the MAPA representing plantation owners were reluctant to concede to the demand. As a result, the 20-month negotiations ended in deadlock.

Consequently, plantation workers resorted to various actions to protest the arbitrary attitude of the plantation owners and to condemn Tan Siew Sin for claiming that the monthly salaries would turn the workers into thieves and lazy workers. The report expresses full sympathy with and support for the plantation workers' just struggles. It also briefly recalls various forms of struggle launched by plantation workers in several countries against exploitation, oppression, and discrimination, and points out that several plantation owners were forced last year to concede to some of the workers' demands because plantation workers had displayed unity. The report further points out that all tyrannical measures of the Barisan Nasional Government and big capitalists cannot prevent plantation workers from fighting to free themselves and smash the infernal society in which human devils exploit the poor. Through the struggle, plantation workers know more clearly the origin of their poverty and misery.

The second issue also carries an editorial, entitled: The Miserable Condition in the Society of the Exploitation of Man by Man, exposing various forms of misery to which plantation workers, particularly Indian workers, are subjected. The editorial is divided into subeditorials as follows: hard work with low wages, arbitrary dismissal, poor working and living conditions, the miserable condition of the children of workers, and other forms of torture. The editorial asks: Our country has been independent for more than a quarter of century, but plantation workers' lives are the same as they were during the colonial era, are they not? Finally, the editorial says that plantations are in no way weak in the face of cruel exploitation, oppression, discrimination, and poverty. They have expressed hidden anger and will continue to fight through various actions for their own immediate interests and basic democratic rights.

The 75th anniversary of the International Day of Women Workers fell on 8 March this year. The third issue of PEOPLE'S HOPE carries editorials commemorating the day of militant solidarity. One of its editorials--entitled: Women Workers Fight for Total Freedom--says, among other things, that our present society is like a pyramid. At the top of the pyramid are a handful of exploiters and the bureaucrat and comprador capitalists who enjoy a leisurely and luxurious life. The broad working masses, particularly the women workers, are in the lowest social layer and are subjected to the most cruel oppression.

The women are discriminated against and humiliated more than the men. They are subjected to more cruel exploitation and oppression. The misery of women workers in our country is lamented with blood and tears. The women occupy a very important position in the working class in our country. In 1975, the number of women workers in rubber plantations exceeded that of men workers. In 1980, rubber plantations had 20,000 more women than men workers. During the same period, the number of female workers in palm oil plantations accounted for one-third of the total number of workers. Electronics, textile, garment, and shoe factories, hotels, and other industries employ mostly female workers. The editorial says further that in addition to having to work hard every day just like their male counterparts, the Indian women plantation workers must do house work awaiting them.

Moreover, many women are subjected to other forms of bullying. They really have a miserable fate. The editorial says that crimes such as murder, robbery, rape, drug addiction, and others are very rampant in our country, making the women of various nationalities feel persecuted. Their lives and movements are not guaranteed. Being poor, many women have become prostitutes. They have lost the right to live as human beings. The editorial calls on the women to be courageous enough to defend their own interests, overcome pessimism, and fight together with the men against the reactionary authorities of the Barisan Nasional and the People's Action Party.

The editorial points out that our countrywomen have a noble tradition of struggle. In an anti-Japanese national liberation war, an anti-British national liberation war, and the present domestic revolutionary war, they have made great contributions of their blood and lives to national independence and the liberation of the people, including women. The PEOPLE'S HOPE editorial points out that the political consciousness of our countrywomen of all nationalities has been continuously increasing in the struggle. The Indian women are actively engaged in the struggle against the racial discrimination of the reactionaries and for the Indian culture and mother tongues.

The editorial states that in our multiracial country, the racial discrimination of the reactionaries is not only threatening our society but will also greatly threaten the future generations. This must be condemned and opposed. Finally, the PEOPLE'S HOPE editorial dedicated to the 8 March International Day of Women Workers says that women play an important role and cannot be ignored in the patriotic and democratic movement that is developing fervently in our country. Women can be fully confident of their own strength to make greater contributions to the people's just struggle through their own concrete actions.

CSO: 4213/263

MALAYSIA

## INTEGRATED CIRCUIT CENTER STARTS SOON

Kuala Lumpur BUSINESS TIMES in English 24 May 85 p 1

[Article by Vong Nyam Ming]

[Text] Another major advance in the \$1-billion-a-year Malaysian semiconductor industry will be realised at the end of the year when the national research and development arm in microelectronics sets up a commercial integrated circuit (IC) design centre.

The centre will enable Malaysia to break out of the rut of pure assembly activities towards mastery of circuit designs and Very Large Scale Integrated (VLSI) circuits.

Local design capability will be the key to the high-technology edge that the Malaysian industry needs to break out of the old Catch 22 of "we can't design here because we have no facilities here," says Tunku Mohd Azzman Shariffadeen, director-general of the Malaysian Institute of Microelectronic Systems (Mimos).

Speaking to Business Times yesterday, he said the commercial design centre would be opened to all electronic and semiconductor plants which wanted to design and produce chip prototypes.

Most of the \$5-0,000 funding towards the commercial design centre in Kuala Lumpur comes mainly from Easams, a subsidiary of GEC Marconi of UK. The hardware and software for the commercial centre is still to be decided but this is definitely going to be separate from the research and development centre.

The software package for the commercial design centre is still being evaluated.

Explaining the separation of R and D and commercial design facilities, Tunku Azzman said that this was to preserve proprietary rights of the users of the commercial design centre.

"Also, the software package for the R and D centre was given at a very special price on the understanding that this would be used only for educational purposes."

"The commercial design centre will have one or two work stations and will be supported by the full time staff of the R and D centre," he said, admitting that this was only an initial stage and that a full-fledged commercial design centre would have about a dozen work stations.

Since its official start up in January this year, Mimos has progressed at a dazzling speed. In the space of three months since its actual start up in March, Mimos has completed one course on VLSI chip design and plans to hold its second two-week course at the end of July.

With only five Apollo super minis capable of working at one million operations per second (mips)--faster than some main frames--Mimos limits its courses to 20 participants per class. The first course was attended mainly by scientists from government agencies like Telecoms and Sirim and from semi-conductor companies Intel, Marconi Italiana, and PERNAS-NEC.

The second course starting on July 29, follows the line of the first and will cover MOS technology overview, MOS processing, CMOS circuit design and techniques, VLSI architecture, CAD tools and custom design.

The course will be conducted by a team led by Professor J. Mayor from the University of Edinburgh who co-authored the book Introduction to MOS LSI design.

CSO: 4200/1101

MALAYSIA

# NAVY TO EXAMINE SUBMARINE USE

Penang THE STAR in English 2 Jun 85 p 1

[Article by K. T. Arasu]

[Excerpt] Kuala Lumpur, Sat.--The Royal Malaysian Navy is studying the possibility of using submarines--but not in the immediate future as it takes four to seven years to train the crew, Deputy Defence Minister Datuk Abang Abu Bakar said today.

And the Government had told former Sabah Chief Minister Datuk Harris Salleh it would look at the submarines Labuan's Sabah Shipyard Sdn Bhd was hoping to produce, he added. (The project, mooted by the former Berjaya Government of Sabah, has since been shelved by the new PBS Government).

Datuk Abang Abu Bakar said the navy began studying the possibility of integrating submarines in its defence plans this year. The study is expected to be completed at the end of the year. "It will be discussed by the various boards in the Defence Ministry before it is submitted to the Cabinet for approval," Datuk Abang Abu Bakar said.

He added that former Sabah Chief Minister Datuk Harris Salleh was told that the Defence Ministry would not mind "taking a look at submarines produced by the shipyard when the Cabinet approved the plan and granted the necessary funds at that time."

He said this assurance was given keeping in mind "it takes between four and seven years to turn a senior navy personnel into a sub-mariner."

CSO: 4200/1101

MALAYSIA

# NEED FOR EARLY WARNING SYSTEM VOICED

Penang THE STAR in English 6 Jun 85 p 8

[Text] The RMAF Force Structure Plan was drawn up by its top officers based on several proposals from the Air Chief.

Lt.-Jen. Datuk Mohamed Ngah Said said the plan identified the needs of the force.

"To be a complete system, the air force would require a sophisticated Airborne Early Warning (AEW) system.

"Our present radar system is a fixed installation with limited view. In order to function as a modern air force, we need the AEW," he said.

"The Force Structure Plan has identified the AEW as a top priority item for the RMAF.

"Although we have identified the system we need, we have not decided on the type. This means that speculation on RMAF wanting to buy the Airborne Warning Air Command System (Awacs) is groundless.

"We cannot afford the AWACS (which costs about \$3 billion)," Datuk Mohamed added.

It was recently reported that RMAF was going to buy two AWACS in the next five years.

Datuk Mohamed said: "My objective, under the Fifth Malaysian Plan, is to buy an AEW system that can make full use of the RMAF's limited resources.

"With this system, I can conduct a limited but effective air battle," he added.

On reports that the RMAF was going to buy F16 aircraft, Datuk Mohamed said that this was not true because RMAF did not have the money now to buy new fighter planes.

But he admitted that the air force was interested in a new generation of aircraft as opposed to the multi-role combat aircraft (such as the F16).

"The aircraft that we would eventually like to buy may not be the F16 or F20, but one that is still on the drawing board," added the Air Chief.

Clarifying Press reports which quoted him as saying that Vietnam's military presence in Kampuchea would not be a threat to Malaysia for the next five years, Datuk Mohamed said he meant that the RMAF needed at least five years to train its pilots and beef up air defence for Malaysia to have the capability to counter any threat posed by Vietnam by 1990.

CSO: 4200/1101

11 July 1985

MALAYSIA

# REORGANIZATION AIMS AT STRONGER AIR FORCE

Penang THE STAR in English 6 Jun 85 p 8

[Article by Wong Sai Wan]

[Text] Kuala Lumpur, Wed.--The top-level hierarchy of the Royal Malaysian Air Force (RMAF) has been reorganised as a first step towards building a better and more capable defence force.

Chief of Air Force Lt-Jen. Datuk Mohamed Ngah Said told The Star that the reorganisation, which took effect in January, was only being carried out within the RMAF and was only on an experimental basis for a year.

"No one has been retired or promoted in this exercise, which is part of the proposals contained in the RMAF's five-year Force Structure Plan.

"Should the experiment prove successful, it will be implemented at all levels," he added.

The restructuring of the RMAF hierarchy is the Air Chief's brainchild.

Datuk Mohamed said: "The development of the air force firepower depends on four pillars--organisation, concept and strategy, equipment, and men.

"We have the men, equipment and concept. But to harness the deployment and the employment of all the resources, we must first get the organisation correct.

"Having recognised that, we have now reorganised the air force from the old four-pronged system, based on specialisation, into a system based on function," he added.

At the top of the structure is the Air Chief's Office, which is in overall command.

Below this, the command level is broken into four other divisions. They are:

--Chief of Air Staff, who will have three deputies below him in charge of planning and policies, systems management and materials management.

(The Chief of Air Staff is also the Deputy Air Chief, Mejar-Jen. Datuk Sasarudin Mohamed Ali);

--Directorate of Inspectorate, which will be in charge of standards, efficiency and readiness;

--Air Defence Command, which is in charge of the defence and fighting capabilities of the force; and

--Air Support Command, which is in charge of the backup and support side to the defence command.

CSO: 4200/1101

MALAYSIA

BRIEFS

U.S., ISRAELI FLAGS BURNED--American and Israeli flags were burnt by unknown persons in Kuala Lumpur after Friday prayers at the city's Jamek mosque on 14 June. The burning of the flags was carried out in remembrance of the declaration day by Palestinian Jews burning the Al-Quds Mosque. While burning the American and Israeli flags, they chanted "God is great" and were witnessed by the public. The ceremony lasted only for 10 minutes. Besides this, a poster reminding the burning of the Al-Quds Mosque was hoisted. About 15 minutes later, a police patrol car arrived at the scene but those involved in the incident as well as the public had already dispersed. [Text] [Kuala Lumpur BERITA HARIAN in Malay 15 Jun 85 p 5 BK]

SRI LANKAN SHIPPING AGREEMENT--Malaysia has concluded another shipping agreement with Sri Lanka. The fifth agreement was officially signed on 17 June at the Ministry of Transport by Datuk Ishak Tadin, who represented Malaysia, while Sri Lanka was represented by its high commissioner to Malaysia, Mr Seneviratne. [Summary] [Kuala Lumpur International Service in English 0800 GMT 17 Jun 85 BK]

CSO: 4200/1118

PHILIPPINES

GROUP ACCUSES U.S. OF DELUDING OPPOSITION

HK200211 Quezon City ANG PAHAYAGANG MALAYA in English 10 Jun 85 p 6

[Text] Manila (PHILIPPINE NEWS AND FEATURES)--The U.S. Government is using the dual tactics of supporting President Marcos while trying to delude some sectors of the Philippine opposition into believing that the U.S. is backing them, according to a group of concerned Filipinos in the United States.

The Alliance for Philippine Concerns (APC), said that the Reagan administration wants to keep President Marcos in power while "at the same time placating the elite opposition with (political and economic) reforms of little substance." State Department officials hope, the APC stated, that this will have the effect of driving a wedge between the elite opposition and the mass based cause-oriented opposition or "street Parliamentarians."

At present, the Reagan administration has underscored the military solution as the main component of an escalating U.S. intervention in the Philippines, the U.S.-based alliance said. In this direction, two steps are being taken by the Reagan government: A record-breaking \$100 million in military aid for 1986, and efforts to "professionalize" the Philippine military. The key U.S. goal, according to a U.S. security directive quoted by APC, is the creation of "an effective military capable of carrying the fight to the communist insurgency."

APC also revealed that the real U.S. policy in the Philippines surfaced when the top-secret policy paper (National Security Study Directive) was leaked to press in early March. Thus, according to the directive, "While President Marcos at this stage is part of the problem, he is necessarily part of the solution.... We need to be able to work with him and try to influence him through a well-orchestrated policy of incentives and disincentives...."

"Efficient repression, imposed economic austerity and cosmetic liberalization are the three pillars of the Reagan administration's dangerous policy of heightened intervention in the Philippines," the APC said.

Meanwhile, several Filipino organizations and their American and Canadian friends staged coordinated mass actions in key cities all over the U.S. and Canada last May to protest U.S. support for the Marcos government and the latter's escalation of repression against the Filipino people.

The mass protest rallies were held in the U.S. cities of San Francisco, Los Angeles, New York, Washington D.C., Chicago, Minneapolis and Ann Harbor, as well as in the Canadian cities of Toronto and Montreal. The continent-wide protest activities sought to stop President Reagan's proposed military aid to the Marcos government and assail the most recent military abuses in the Philippines as reported.

Protest leaders said that increased U.S. military aid to the government has in turn led to an alarming escalation of military-instigated violence in the country as shown by the recent murder of Fr. Tullion Favali (an Italian missionary reportedly killed by paramilitary men).

CSO: 4200/1119

11 July 1985

PHILIPPINES

## COMMENTATOR ON RETURN OF HIJACKER FROM CHINA

HK210446 Quezon City Maharlika Broadcasting System in English 0100 GMT 21 Jun 85

["Analysis of the News" by Teodoro Valencia]

[Text] The other night, Governor Ferdinand Marcos Jr, Bongbong, arrived with a very big surprise package. We were just talking about the possibility of [words indistinct] before allowing the return to the Philippines of Doctor Danilo Lobitana and his Japanese wife, who happens also to be a physician. But here he arrives in the company of Danilo Lobitana, the youthful Philippine Airlines [PAL] hijacker of almost 15 years ago. When Lobitana participated in the hijacking of the PAL plane to China, he was only 15. Now he is returning to the Philippines this year a full-fledged doctor of medicine married to a Japanese doctor, with a child. This was a very dramatic development in the otherwise staid and routine visit of Bongbong Marcos to the People's Republic of China. As it was originally intended, Bongbong was to represent his father, President Marcos, in the ceremonies in Beijing to celebrate the 10th anniversary of the Philippine-Chinese treaty of friendship signing. But it turned out that Bongbong was not about to settle for something so staid, so undramatic. Now he did something which can start the proverbial ball rolling for other Filipinos who are still in the People's Republic of China. Either they went there on their own, they participated in the same hijack, or by some devious routes they found themselves in China.

Whatever happens to Danilo Lobitana should be of very great interest for some of our good friends who are still in China who no doubt would want to return home to the bosoms of their families, if they had some assurance that nothing would happen to them, that the Government of the Republic of the Philippines is not about to put them in jail or wreck vengeance on them. I think Bongbong did something very historic, for which the Filipinos in China who went there for some reason or another in some dim past will always be grateful for.

CSO: 4200/1119

11 July 1985

PHILIPPINES

MINDANAO RESIDENTS EXPRESS CONCERN OVER LACK OF HABEUS CORPUS WRIT

HK200145 Quezon City ANG PAHAYAGANG MALAYA in English 9 Jun 85 p 9

[Article by Jim Maridul]

[Text] Concerned residents of the so-called autonomous regions 9 and 12 (Western and Central Mindanao) have been clamoring for the restoration of the privilege of the writ of habeas corpus which remains suspended in these predominantly Muslim areas despite the "lifting" of martial law in 1981. Residents are baffled by the continued suspension of the writ despite the day-to-day pronouncements by government officials that peace and order is now prevailing in the Mindanao provinces.

The residents are also questioning the continued use of the supposed threat by the New People's Army (NPA) as an excuse for suspending the writ in Regions 9 and 12.

They said that the writ is not suspended in other "troubled spots" like Davao, Surigao, Augsan, Misamis Oriental, Misamis Occidental and a number of provinces in the Visayas and Luzon.

A prominent lawyer in Iligan City said that the continued suspension of the writ is reflective of the government's "sincerity" in solving the age-old "Mindanao Problem."

"The suspension of the writ is a form of overkill. The regime has more than enough unrestricted powers in dealing with any kind of security problem, including cattle rustling. There is the PCA (Preventive Detention Action), Amendment No 6, and Mindanao is completely militarized," he told MALAYA.

Marawi Press and Radio Club President Farouk Macarambon stated that the continued suspension of the writ is like "a sword of Damocles hanging over the head of the inhabitant [as published] in the regions."

"As long as the writ remains suspended, fear and instability rather than peace and development, will be the common lot of the people here," Macarambo said.

The military, however, has a different view.

Central Mindanao Regional Unified Command (RUC) chief, Brig Gen Cesar Tapia told newsmen during his visit to Kampo Ranao at Marawi City that while the region is one of the most peaceful in the country today, the suspension is needed in order to give the military a "leeway" in dealing with the insurgency problem.

He vowed that the military in Region 12 will not take advantage of the suspension of the writ and will only invoke it, if necessary in containing subversion and insurgency posed by the Moro National Liberation Front (MNLF) and the NPA.

The RUC 12 chief added that in Central Mindanao, the MNLF more than the NPA is the big threat to the security of the region.

CSO: 4200/1119

11 July 1985

PHILIPPINES

# JAPAN SETS NEW TERMS FOR YEN LOAN SOUGHT BY MANILA

HK171513 Manila BULLETIN TODAY in English 14 Jun 85 p 25

[Text] The Japanese Government has set at least five conditions before it converts half of the 13th yen loan package being sought by the Philippines into commodity loans.

The Philippines is currently negotiating for the approval of the yen loan, which is equivalent to \$260 million.

Sources from the National Economic and Development Authority (NEDA) said the conditions were given by a Japanese mission headed by Hiroshi Hashimoto, director of the economic cooperation bureau of Japan's Foreign Affairs Ministry, which met with local officials last May.

The government wants \$150 million of the loan to come in as commodity loans which the Japanese Government, the sources said, is reluctant to approve because of previous experiences with such schemes.

A previous loan, the \$230-million 12th yen loan, was cited by the Japanese mission as an example. Over half of the loan or \$156 million came in as commodity loans but only \$20 million were availed of at present by local firms due to high interest rates.

One of the conditions is the removal of the restriction which limits the amount that a local company can import to \$50,000.

The sources said that the Japanese Government also wanted the addition of items such as spare parts necessary for the production of automobiles and household electric appliances to the list of commodities eligible for commodity loans.

The Japanese Government also required the extension of import [word indistinct] to local importers with the Philippine Central Bank taking exchange risk.

This means that for every availment by local importers of a commodity loan, the CB must guarantee the payment of the imports, with an equivalent foreign exchange amount.

The Japanese Government also asked the Philippine Government to guarantee that it would use the counterpart funds accruing from the disbursement of the commodity loan for development projects in the country.

The Philippine Government has promised to put up a counterpart funding of P [peso] 712 million for 10 development projects under the 13th yen loan.

Another condition is for the government to immediately provide the results of the study on how to maintain the letter of credit switch scheme as a principal method while increasing the required ceiling for the use of the reimbursement schemes.

The study is supposed to be used by the Japanese Government in approving the commodity loan for local importers.

At the same time, the Japanese Government requested that it be provided the priority order list of the proposed projects under the 13th yen loan, including the eight additional projects.

Sources said that President Marcos has put top priority on the Laoag-Allacapan road improvement project which is among the additional eight projects.

A NEDA committee which met with the Japanese mission headed by Hashimoto had put the 10 original projects as having priority over the additional projects.

Plant renovation projects of at least seven firms lined up for financing by the Japanese Export-Import Bank were also approved by a Japanese mission here recently.

The seven projects, sources from the NEDA said, form part of a Japanese plant renovation and modernization program which has an aggregate cost of \$340 million.

CSO: 4200/1119

11 July 1985

PHILIPPINES

# FLOUR MILLERS CONSIDERING CANADIAN WHEAT OFFER

HK191427 Manila METRO MANILA TIMES in English 19 Jun 85 pp 12, 11

[Text] Canadian businessmen have offered to supply wheat to the private sector using the \$3 billion trade facility recently made available to the Philippines.

Felix Maramba, president of the Philippine Chamber of Commerce and Industry (PCCI), said the Canadian offer was one of several financing schemes being considered by flour millers to import 375,000 long tons (LT) of wheat in August.

Millers are also seeking government approval for the guarantee of loans to be obtained from the U.S. Export-Import Bank and the Commodity Credit Corp (CCC), he said.

At present, he said millers were discussing with the National Food Authority (NFA) the mechanics and options for private sector importation as authorized by Executive Order No 1028 which also restored flour trading to the private sector.

Maramba said during the discussions, at least four options cropped up, similar to schemes available to feed grains importers.

These include importations through NFA financing, with a three percent tax; importations through the use of NFA lines but with private sector financing, with a two percent tax; and direct private sector importations, with a 10 percent import duty.

Maramba, however, said there would be innovations in the wheat imports because of the possible availability of funds from foreign sources.

CSO: 4200/1119

11 July 1985

PHILIPPINES

## MILLERS CANNOT IMPORT WHEAT DUE TO LACK OF FUNDS

HK191433 Manila METRO MANILA TIMES in English 19 Jun 85 pp 12, 11

[Text] The National Food Authority (NFA) will definitely retain its wheat and flour trading functions because the private sector is not in a position to run the industry.

President Marcos last May 31 issued Executive Order 1028 ordering NFA to relinquish its wheat and flour trading functions to the private sector.

The executive order was issued to satisfy the World Bank in exchange for agricultural loans being sought by the Philippines.

Felix Maramba, Jr, president of the Philippine Association of Flour Mills (PAFMIL), has admitted that millers cannot import wheat on their own because they do not have the necessary funds or credit lines.

Since the millers cannot bring in wheat, the country's bakers and other flour users will have to continue drawing their supplies from the NFA, which is holding wheat and flour stocks good until November this year.

The PAFMIL, which groups together the country's eight flour mills, has urged the NFA to give millers financial support so that they can import wheat.

Sources said the NFA and PAFMIL agreed "in principle" last week on how wheat imports would be carried out. The millers have three proposals, two of which call on the NFA to open its credit lines and raise peso funds to pay the cost of importing wheat. The millers have offered to pay the NFA service fees ranging from three to five percent.

But the NFA needs to impose higher surcharges to make up for "financing risks."

If Mr Marcos's executive order were to be strictly followed, the PAFMIL will have to bring in [words indistinct] long tons (LT) of wheat to complete the total requirements for this year of 850,000 LT.

The NFA earlier imported 425,000 LT financed by its credit lines worth \$120 million from the Commodity Credit Corporation of USA, another \$40 million from the World Bank, and an undisclosed amount from the Export-Import Bank.

The 425,000 LT will cost PAFMIL P2.125 billion, which is simply "too much" for the millers, said Maramba.

Maramba said: "It may take some time, possibly until the middle of 1986, before the millers can shoulder the cost of importing wheat."

But even if the PAFMIL imports wheat now, the NFA will still retain its flour trading because bakers and other flour users do not want control over flour to fall in the hands of the millers.

The Philippine Federation of Bakers Associations (PFBA) fears that once PAFMIL gains control of flour supplies, there will be rampant overpricing and hoarding of the commodity.

"If the NFA continues to distribute flour, we will be assured of a check against irregularities because flour users are allowed to draw out only enough volumes corresponding to actual needs," PFBA president Bartolome Hermosura said.

The bakers will continue to rely on the NFA for their flour supplies since the food agency still holds much of the industry's requirements until the end of the year.

NFA's flour stocks total 1.13 million bags (25-kilo each). Another 3.3 million bags will be processed from the agency's wheat supply of 109,823 long tons.

The NFA also bought 185,000 LT of wheat which will yield at least 5.6 million bags of flour. The wheat imports will be shipped on a staggered basis until September.

The NFA will thus have a total of 10.03 million flour bags. This supply is enough until November, based on the industry's consumption of 2.2 million bags monthly.

CSO: 4200/1119

11 July 1985

PHILIPPINES

## MILITARY OPERATIONS DRIVE 1,000 FROM FARMS

HK200131 Quezon City ANG PAHAYAGANG MALAYA in English 10 Jun 85 p 6

[Article by Edgar C. Cadagat]

[Text] Bacolod City--About 1,000 evacuees, mostly farm families from the upland barangays of Kabankalan, now face starvation after being driven by intense military operations from the farmlands, Rex Arnaldo of the Bagong Alyansang Makabayan (Bayan) told MALAYA.

The evacuees have been housed in the Immaculate Conception High School on Barangay Dancalan, Ilog Town for over a week now.

They fled their farms after six residents in Barangay Pinaginpinan were killed when their houses were strafed by soldiers belonging to the 7th Infantry Battalion's [IB] Charlie Company. The raiders were led by 2d Lt Benjamin Banta.

Killed during what human rights groups here called "The Bloody Sunday Massacre" were Isidra Fajardo, Angel and Dapal Delfin, Francisco Paling, his brother Vicente and son Jerundo.

Arnaldo, who visited the evacuees, reported that the military authorities have refused to discuss the plight of the evacuees whose food supplies ran out last week.

The Bayan officials and representatives of the evacuees have reportedly tried to talk with Col George Antonio Moleta, acting Task Force Sugarland commander and head of the 7th IB in an attempt to get an assurance that the evacuees won't be harmed when they return to their farms.

Moleta, however, reportedly refused to discuss the evacuees' plight.

Residents interviewed by MALAYA, said they would rather stay in the poblacion and starve to death than be killed mercilessly in the mountains by soldiers mounting an anti-insurgency operation. They pointed out that they have a better chance of survival in the lowlands than in the hinterlands.

Fr Patrick Hurley, Dancalan parish priest, last Monday insisted the evacuees must move out of the high school as enrolment would start soon.

CSO: 4200/1119

11 July 1985

PHILIPPINES

# IMPACT OF DAVAO TERRORISM ON BUSINESS, NPA VIEW REPORTED

Kuala Lumpur BUSINESS TIMES in English 4 May 85 p 9

[Article by Rajendra Bajpai]

[Text]

TERROR stalks the streets of this rebel-infested city in the southern Philippines, where morning brings horror headlines in newspapers and night the promise of more violence.

Once a businessman's paradise, this city of 800,000 people, a key exporter of coconut, bananas and logs, is dying.

The Communist New Peoples' Army (NPA) routinely locks horns here with the military. Clashes with the armed forces and hits made by "sparrow unit" liquidation squads have ended Davao's once-bright business prospects.

NPA sources told *Reuters* that they had declared war on big business on Mindanao Island, where Davao is located, and that companies which refused to pay an NPA "tax" would be burned or otherwise attacked.

Businessmen have become the frequent target of extortion gangs, kidnappers and trigger-happy

criminals who often call themselves "NPAs" to cash in on the reputation of the guerillas for dispensing quick and bloody justice.

"We are a shrinking business community. Nobody wants to stay here. Those who can move out have moved out," said a local Chinese businessman.

Nearly all businessmen interviewed wanted promises of anonymity, reflecting the rising sense of fear in the city. Businessmen have been kidnapped and killed. Threatening telephone calls asking for money are common.

## Gunshots

Chinese businessmen have been a particular target because of the popular belief that they are rich and can afford to pay.

"I have received telephone calls and I do not disregard them anymore," one Chinese businessman said. He has also made his first

moves to shift his meat processing business to the Manila area to the north.

No official statistics are available but an official of the Davao Chamber of Commerce said nearly one-third of the city's businesses had moved out and no new investment was forthcoming.

"Before the insurgency the prospects looked good. We have the natural resources and everything was in our favour," he said.

"The law and order situation is going from bad to worse. We have just lost two members. The military is doing its best but its best is not good enough," the official said.

"Since January there have been many killings here ... at night people no longer drive on the main highway and at times you can hear gunshots at night," said a Davao-based diplomat.

## Tax system

In the Davao area 349 people, including 45 military men, died between January and March. April began ominously as 50 rebels were shot dead over Easter in Surigao Del Sur province, northeast of Davao.

Military commanders estimate that there are some 2,400 armed guerillas in the Davao region, twice as many as a year ago.

NPA sources told *Reuter* correspondent Rosario Liquicia in Zamboanga, also on Mindanao, that they had declared war on big businesses on the island, particularly multinationals and local investors identified with the administration of President Ferdinand Marcos.

"As a policy we try to prevent Marcos' close associates and foreign investors from establishing new

projects on Mindanao," one NPA source said.

Those already existing are subject to "rebel tax," the source said. "If they refuse to pay, the guerillas launch their offensives."

Factories are set on fire and plantations bulldozed or burned.

"We have adopted our own tax system which is reasonable and is based on companies' profit standings," the NPA sources said.

Last year, guerillas attacked seven big companies on Mindanao and the NPA estimated total losses at US\$15 million.

One of these was owned by industrialist Eduardo Cojuangco, a close friend of President Marcos.

NDC-Guthrie

Plantation Incorporated, a joint venture of the state-owned National Development Company and the Malaysia-based Guthrie Estates, is a constant target of the NPA offensive. --- *Reuter*

CSO: 5600/4336

11 July 1985

PHILIPPINES

CAGAYAN TOWN MAYOR, TWO AIDES DIE IN AMBUSH

Manila PHILIPPINES DAILY EXPRESS in English 15 May 85 p 1

[Article by Jess Viduya]

[Text]

THE TOWN mayor of Alcala, Cagayan, was believed drowned Monday afternoon after his party was fired upon by four unidentified armed men, killing two companions of the mayor, including the Alcala police chief.

The mayor, Nicanor Catral, tried to escape by running towards a motor boat but bullets hit the boat, causing it to sink. The mayor was still missing and presumed drowned yesterday.

According to military reports reaching the capital town of Tuguegarao, 37 kilometers away from Alcala, Mayor Catral was proceeding back to the town proper after visiting the western barangays of Abbeg, Afusing, and Malalatan, when four men fired at the group, using M-16 rifles.

The reports identified the fatalities as Sgt. Napoleon Ventura, Alcala police chief, and CHDF member Ramon Pontillo.

Mayor Catral was accompanied by Ventura, Pfc. Henry Baculi, Pat. Benjamin de la Peña, barangay councilman Romeo Evalio and Gregorio Asuncion. They were already in Malalatan, just across Alcala, when the incident happened.

Abbeg, Afusing, and Malalatan are separated from the town proper by the Cagayan river. Until recently, the barangays were isolated from the national highway, making them easy targets of the New People's Army, despite frequent civic action programs in the area.

CSO: 5600/4343

11 July 1985

PHILIPPINES

## BRIEFS

**SLOW RESTORATION OF FOREIGN CREDIT**--A prominent banker yesterday [19 Jun] said it will take at least 6 months before all trade credit lines with foreign commercial banks, under the \$3 billion revolving trade facility agreement, will be completely restored. Chester Babst, president of Rizal Commercial and Banking Corporation, said the trade facility will have to be out in place first before business can start recovering. He said the first signs of recovery will only be visible in the first quarter of 1986. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 19 Jun 85 HK]

**FORMER MINISTER VIEWS ECONOMY**--Former Industry Minister Vicente Paterno says that because of several favorable developments, the Philippine economy has reached the bottom and has no place to go but up again. Paterno warned, however, that this upward trend could still be stopped if the political situation deteriorates. He said in a statement that the economy should be able to post positive growth rates from 1986 onwards, but he said the growth rates will still be lower than those in the 1970s. He enumerated the three favorable factors to such development as the control of the growth of inflation, the expected decline in interest rates, and the stability of the peso-dollar rate. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Jun 85 HK]

**AGENCY TO OVERSEE WORLD BANK LOAN**--The National Economic and Development Authority [NEDA] is now preparing the mechanics for relending the recent loan from the World Bank. The World Bank has extended to the country a \$100 million agricultural loan. NEDA is seeing to it that the farm credit is not being used or rechanneled to nonagricultural sectors. According to Deputy Agriculture Minister Orlando Sacay, previous farm credits had been rechanneled by some banks into high-yielding short-term nonagricultural investments. Sacay said NEDA is preparing steps to prevent a repetition of past experience. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Jun 85 HK]

**ILO TO AID SUGAR WORKERS**--Dislocated workers in the distressed sugar industry can look forward to assistance from the International Labor Organization. The ILO commitment was relayed by ILO Director General Francis Blanchard to Labor Minister Blas Ople who is attending the ILO conference in Geneva. Blanchard told Ople that the Philippine Government's request for food assistance for displaced sugar workers will soon be implemented. [Begin Blanchard

recording] This will involve obviously a series of measures which will include resettlement, if you like, [words indistinct], basically the kind of things we in the ILO would consider to be [words indistinct] for a proper solution of the kind of problem with which the sugar workers have been confronted. [End recording] [Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Jun 85 HK]

GOVERNMENT CORPORATIONS REPORT DELAYED--A government reorganization committee wants more time before submitting a report on government corporations. The report will determine which corporations will be abolished and which will be merged or retained. The proposed policy on government corporations was discussed in last night's cabinet meeting. Once the report is received by the cabinet, it will take it up with the president by June 27. Fourteen of the largest government corporations accounted for deficits amounting to 10 billion pesos in just 1 year. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Jun 85 HK]

MARCOS GETS USSR MEDAL--President Marcos appealed to the Soviet Union and other powers of the world to participate now in the sincere and serious effort to ban nuclear weapons and maintain global peace. He voiced this appeal after receiving a memorial medal for war veterans granted by the Soviet Union to those who fought the fascists in the Second World War. The memorial medal and the commemorative coin issued to celebrate the 38th anniversary of the victory against fascism were presented to the President by Madame Tamara Golubtsova, deputy minister of Culture of the Soviet Union and president of the USSR-Philippine Friendship Society at Malacanang's ceremonial hall. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 18 Jun 85 HK]

POLICE COUNSELLING ANNOUNCED--Police, constabulary and Metrocom [Metropolitan Command] personnel in Metro Manila who are charged with criminal offenses and those detained in disciplinary barracks under the custody of their commanders will be given neuro-psychiatric examinations and guidance counselling. This was announced by acting PC-Metrocom [Philippine constabulary--Metropolitan Command] commanding general and director of the Metropolitan Police Force, Brigadier General Victor Natividad who said this was in line with the aim to determine the psychological fitness of police and Metrocom personnel charged with criminal offenses. This move will help erring police and Metrocom personnel mend their ways. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 19 Jun 85 HK]

JAPANESE MARITIME GRANT--The Japanese Government will grant the Philippines some \$9.5 million for the national maritime polytechnic in Tacloban City, Leyte. Of this amount, more than \$55 million will be used by the country's maritime graduate center. Japan granted the Philippines \$5 million for this same purpose last year. The maritime center's facilities, which will be completed in March 1986, will accommodate 1,000 maritime engineers and navigators. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 25 Jun 85 HK]

11 July 1985

SINGAPORE

## SINGAPORE GROWTH AT 10-YEAR LOW

Kuala Lumpur BUSINESS TIMES in English 22 May 85 p 1

[Text]

SINGAPORE, May 21 — SINGAPORE'S economic growth has plunged to its lowest level for more than 10 years with companies laying off thousands of workers in the first three months of this year, according to latest official figures.

Investment commitments also hit a four-year low in the first quarter and economists said the business slump could get worse without an economic recovery in the US, Singapore's main trading partner.

The Trade and Industry Ministry said the island republic's economy grew by only three per cent between January and March compared to the 10.1 per cent growth for the same period in 1984.

Singapore's export-oriented economy grew by 8.2 per cent for the

whole of 1984. Economists said if the present trend continued it would be difficult to achieve the government's target of five to seven per cent growth this year.

The worst hit was the manufacturing sector which had a 2.4 per cent fall in output against a growth of 11.8 per cent in the same period in 1984.

The construction industry, which provided the main thrust to the booming economy in the past several years, registered zero growth.

The ministry figures showed investments committed in the first quarter were only S\$192, the lowest since 1981.

About 4,200 workers lost their jobs in the first three months while the total number of workers laid off for the whole of last year was only 5,000.

— Reuter

CSO: 4200/1102

11 July 1985

SINGAPORE

## BRIEFS

INAUGURAL PRC AIRLINE FLIGHT--The PRC's national carrier, the Civil Aviation Administration of China, made its inaugural flight from Beijing to Singapore on 17 June. The flight which touched down at the Changi Airport around 1800, carried a 36-member delegation led by the airline's director general, Mr Hu Yizhou. [Summary] [Singapore Domestic Service in English 1300 GMT 17 Jun 85 BK]

CSO: 4200/1117

JPRS-SEA-85-109  
11 July 1985

THAILAND

VOFA: SRV ATTACKS AGAINST DK FORCES INEFFECTIVE

BK131019 Bangkok Voice of Free Asia in Vietnamese 1330 GMT 11 Jun 85

[Station commentary]

[Text] During March 1985, the Sihanoukists of the Democratic Kampuchea Administration were trying to increase their personnel strength and tactical combat efficiency. All these forces were stationed in a base opposite Taum village, Samraong District, Oddar Meanchey Province. The Vietnamese forces took advantage of this opportunity to attack the Sihanoukist forces at that base on 5 March and overran and occupied it on 11 March.

However, the fact that the DK forces had to leave the base does not mean that the patriotic Cambodian forces have been defeated by the Vietnamese aggressors. On the contrary, the patriotic Cambodian forces have reorganized and changed their combat tactics. Instead of gathering and spreading to several areas in small units to infiltrate Cambodian territory. Using guerrilla warfare tactics, they have attacked Vietnamese bases, ambushed Vietnamese patrol units, and hampered the supply route of Vietnamese forces in Samraong, Banteay Ampil, Chongkal, and Srei Snam Districts of Siem Reap-Oddar Marchey and Thmar Puok, Sisophon, and Preah Net Preah Districts of Battambang Province. In 29 ambushes and clashes with Vietnamese troops, they killed 69 Vietnamese soldiers, wounded 38 others, and captured 19.

After the Vietnamese forces overran the Sihanoukist bases, some were left behind to occupy the bases and lay mines anticipating the counterattack of the patriotic Cambodia people because the DK forces have strived to intensify their counter offensive. This forced the the Vietnamese forces to retreat partially. However, Vietnamese forces still occupy Chongkal, Varin, Srei Snam, and Kralanh Districts of Siem Reap-Oddar Marchey Province. Moreover, some of the Vietnamese soldiers were sent to Samraong and Banteay Ampil Districts to intercept the DK forces and to relieve some of their own.

This situation proves that the Sihanoukist forces of the Cambodian people have scored many victories compared to some initial losses. Even though they have not been able to eradicate the major units of Vietnamese aggressors, they can still restrict the Vietnamese forces' area of operation by making it difficult for the aggressors to move around and forcing them to continuously organize road patrol forces, especially in the coming season. This situation has become

even more favorable for the patriotic Cambodian forces' operations. At the same time, it is an obstacle for the Vietnamese aggressors trying to annihilate the Cambodian people.

The Vietnamese forces will certainly strive to disseminate news on their victorious attacks on the Cambodian people's bases along the Thai-Cambodian border. In fact, Vietnam has dumped all its forces into this battle. It used all kinds of heavy artillery, tanks, armored trucks, and large numbers of soldiers in this campaign. However, the results that Vietnam has scored are not commensurate with its human losses. These losses have bogged Vietnam down even more deeply in Cambodia. The correct and practical path for Vietnam is to implement correctly the resolutions of the world people and the United Nations that call on Vietnam to withdraw all its forces from Cambodia.

CSO: 4209/464

11 July 1985

## THAILAND

## CAMBODIAN BORDER SITUATION REPORTEDLY TENSE

BK170115 Bangkok THE NATION REVIEW in English 17 Jun 85 p 2

/Text/ The situation along Thai-Kampuchean border here is still tense as small Vietnamese units continue to patrol across the ill-defined border into Thai territory, causing clashes with Thai forces guarding the area, informed military sources said.

The Vietnamese patrol units have made several incursions into Thailand in search of Khmer resistance guerrillas in the rugged terrain of the mountainous border, and withdrawn after clashing with the Thai forces, they said.

According to the sources, the frequent reports of the Vietnamese patrol units' incursion and also fighting between the Khmer guerrillas of National Sihanoukist Army (ANS) and the Vietnamese troopers in the border area resulted in the movement of more than 30,000 Kampuchean refugees deeper inside Thai territory last Tuesday.

David Morton, deputy representative of the UN Border Relief Operation (UNBRO) told THE NATION yesterday that the movement of the Kampuchean refugees from Camp David in Ban Kalengwek of Sangkha District to "Site B," another evacuation area in Ban Chambeng about 8 km away, followed the Thai military's instruction about the security in the area.

During the Vietnamese attack on Tatum, a former ANS stronghold opposite a Thai village of the same name in March, the Kampuchean refugees, were moved by Thai military from Camp David to Site B for their security.

However, a few months later when fighting between the rival forces in the area close to the Thai border died down, the refugees were moved back to Camp David until the recent movement on Tuesday.

According to the military sources, one Thai trooper was wounded from a sniper fire from the Vietnamese last week.

The ANS guerrilla sources said the ANS fighters have been stepping up their operation against the Vietnamese in Oddar Meanchey, a northern Kampuchean border province, and also harassing the Vietnamese forward units at the border from behind drawing the Vietnamese retaliation which has resulted in the frequent clashes near the border.

The ANS sources also said a clash between the guerrillas and the Vietnamese was reported near a waterfall in the area of Tatum on the same day when 30,000 Kampuchean refugees were moved deeper inside Thailand.

They said two ANS fighters were killed while four others wounded from the fighting but the Vietnamese casualties were not known.

The sources also quoted the ANS guerrillas who returned from the Kampuchean interior as saying that there were some Vietnamese military movements near the border in Oddar Meanchey which the ANS fighters assumed as a prelude to the Vietnamese future offensive drive.

The sources said the ANS fighters from the Kampuchean inland have brought with them a rumor of the Vietnamese preparation for the attack on three targets along Thai-Kampuchean border in an attempt to sweep the Kampuchean civilians, loyal to Sihanouk, back into Kampuchea.

However, the Thai military sources said, so far, there is still no report of a pending big-scale operation by the Vietnamese in the border area.

"Probably the Khmer guerrillas had brought with them a rumor, spread by the Vietnamese because we have no independent confirmation of the report so far," said one of the sources.

Morton said the Thai military have been considering the movement of about 55,000 displaced Kampuchean persons from Site 7, an evacuation area adjoining to Khao-I-Dang holding center in Ta Phraya District of Prachinburi, closer to the border.

He said the Thai military have been considering the possibility to move the displaced Kampuchean persons from Ritthisen who are now sheltering at Site 7 or Bang Pu to Site 2, another evacuation area, located about 3-4 km from the border.

However, Morton said he was not aware of any Thai military decision on when the refugees will be moved. According to Morton, if the refugees are moved to Site 2, the Unbro might face a problem of finding sufficient space for housing the refugees.

There are about 70,000 Kampuchean and 3,500 Vietnamese refugees sheltering in Site 2, located more than 20 km east of Ta Phraya. Most of the Kampuchean refugees are from the Khmer People's National Liberation Front (KPNLF) encampments, along Thai-Kampuchean border opposite Prachinburi, including Prey Chan, Prasat Tbeng, Ta Lokand Ampil.

A senior Thai military official in Burapha force which is responsible for the Thai border in Peachinburi, told THE NATION that Burapha force has not yet been informed about the movement of the refugees. However, he said senior military officials in Burapha force will agree if there is any order to move the refugees to the area far from Thai villagers because the Thai military always have a problem about the KPNLF fighters who sneak across the border to visit their families.

11 July 1985

## THAILAND

## BRIEFS

INDIAN JOINT FISHING VENTURE--The 5-year-long negotiations between Thai and Indian authorities over a joint fishing venture in India's territorial waters ended satisfactorily with both countries agreeing to establish a 3-year joint venture in August this year. Plotprasop Sutsawat, deputy director general of the Fisheries Department, who led the Thai delegation to the negotiations held in New Delhi last week, says that under the first 3-year agreement, Thailand will send 22 fishing vessels to operate in Indian waters. Eighty percent of the crew will be Thai; the remainder will be Indians. Fish caught in Indian waters will be sold in Thailand. The Indian partners will receive 15 percent of the income from the sales. The Thai partners will pay a guarantee of about 1850,000 baht to India for each trip a boat makes. The venture is estimated to comprise 50,000-100,000 metric tons of fish and 500-1.5 billion baht a year. /Summary/ /Bangkok Domestic Service in English 0000 GMT 12 Jun 85/

COUNTERTRADE DEAL WITH LAOS--Thailand and Laos will engage in a countertrade deal in the next 2 months, senior officials said yesterday. Deputy Governor of Vientiane Khammen Khanthavong yesterday visited Nong Kahi Governor Sakda Ophong who is also the chairman of the provincial cooperative board to discuss a countertrade deal. The agreement will be signed and the trade will commence within the next 2 months. Head of the provincial office Chira Chawanawirat said the formal countertrade should stop smuggling from Laos. Thailand will exchange local products excepting strategic goods. /Text/ /Bangkok THE NATION REVIEW in English 18 Jun 85 p 3/

CAMBODIANS ARRESTED--Authorities arrested eight Kampuchean refugees who sneaked out of Khao I-Dang refugee camp and then tried to fly to France on forged passports, a senior police officer said yesterday. Police Immigration Division Commander Maj Gen Wanit Kunloma said the eight were caught at Don Muang Airport in late April with Singaporean-style passports believed to have been forged in Thailand. Kampuchean refugees already resettled abroad are believed to be cooperating with Thais in organizing the smuggling of refugees out of camps near the Kampuchean border, Maj Gen Wanit said. The eight refugees had been living at the Khao I-Dang refugee holding center in Prachinburi Province. In an interview with AP Maj Gen Wanit also said another 45 refugees who had been smuggled out of the camp turned themselves in to Bangkok police when they heard of their friends' arrests. The 45 have been fined for illegal entry into Thailand and will be returned to Khao I-Dang, while the 8 charged with using forged passports could be given a maximum sentence of 7 years internment and a 14,000 baht fine if found guilty. /Text/ /Bangkok BANGKOK POST in English 19 Jun 85 p 3/

REFUGEES TO NETHERLANDS--Five Dutch officials spent last week selecting more than 100 needy Vietnamese and Kampuchean refugees in Thailand for resettlement in the Netherlands, the UN High Commissioner for Refugees (UNHCR) announced yesterday. The UNHCR said this was the first time in 5 years that a European country other than France had sent a team to Thailand to select a sizable group of refugees for resettlement. Since a UN meeting on refugees and displaced persons from Southeast Asia was held in Geneva in July 1979, European governments have limited their refugee intake to family reunion cases, the UNHCR said. Although the Netherlands is a small country and is one of Europe's most densely populated nations it has resettled over 6,000 Vietnamese refugees. The first group of Kampucheans were resettled there last year. /Text/ /Bangkok BANGKOK POST in English 12 Jun 85 p 5/

NEW YORK VISITS PLANNED--Prime Minister Prem Tinsulanon will visit the United States this year to meet with American leaders and to celebrate the 40th anniversary of the United Nations. Prem will also chair the two conferences of Thai ambassadors scheduled to be held in New York and Brussels, informed sources told THE NATION. They said that in October, Prem will take the Pacific route to the United States with a stopover in Hawaii while Foreign Minister Sitthi Sawetsila will take the Atlantic route, with stopovers in either European or Scandinavian cities, but the two leaders will meet again in New York for the UN celebration, according to the sources. Prem is expected to give a keynote speech at a ceremony to celebrate the 25th anniversary of the East-West Center at the University of Hawaii, Honolulu, before he arrives in New York, they said. This year several dozen heads of states will be gathering at UN headquarters to make the establishment of the United Nations 40 years ago. They said that the timetables of the two ambassadorial meetings have not yet been set. Thai diplomatic representatives from North and South America and the Caribbean islands will meet in New York while those who are from Europe and Africa will meet in Brussels. Last year, Prem chaired the meeting of Thailand ambassadors from Europe and Africa in Geneva while he was on tour through Europe. Prem also visited the United States last year for a brief physical checkup. /Text/ /Bangkok THE NATION REVIEW in English 13 Jun 85 p 5/

AUSTRALIA AIDS CAMBODIAN REFUGEES--Australia will donate \$133,000 to the UN Border Relief Organization to help the Kampuchean refugees affected by the recent fighting between the CGDK forces and Vietnamese troops along the Thai-Kampuchean border, the Bangkok-based Australian Embassy said yesterday. More than 230,000 Kampuchean refugees are currently on the Thai soil after being driven out of their border encampments by a Vietnamese troops' offensive. /Text/ /Bangkok Voice of Free Asia in English 1500 GMT 7 Jun 85/

CSO: 4200/1107

VANUATU

BRIEFS

REDUCED GROWTH EXPECTED--In Vanuatu, the Minister of Finance, Mr Kalpokor Kalsakau, has warned that last year's record economic growth rate will not be repeated this year. Mr Kalsakau has told Parliament that two cyclones which hit Vanuatu in January has affected copra production, and it will take some time to achieve 1984's growth rate of five per cent. In a revised budget, however, Mr Kalsakau has predicted there would continue to be a balance of payments surplus, and that inflation would be below seven per cent. Mr Kalsakau says there will be a shortfall between expenditure and payments of about 130-million dollars, but says this is less than five per cent of the total 1985 budget. [Text] [Honiara SOLOMON STAR in English 14 Jun 85 p 5]

CSO: 4200/1136

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK ON CONTINUED WORLD SUPPORT FOR CGDK

BK120807 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Jun 85

[Station commentary: "The International Community Clearly Realizes the Necessity To Continue Support and Assistance to the CGDK and Keep Pressure on the Hanoi Vietnamese To Withdraw Their Aggressor Forces From Cambodia in Accordance With the UN Resolutions"]

[Text] Currently, many peace- and justice-loving countries the world over are denouncing and condemning the Hanoi Vietnamese act of aggression and occupation of Cambodia and are firmly demanding that the Vietnamese immediately and unconditionally withdraw all their aggressor forces from Cambodia in accordance with the resolutions of the past 6 sessions of the UN General Assembly.

Although the Hanoi Vietnamese have been carrying out all kinds of maneuvers, including military ones, to threaten and intimidate and soft-talk diplomacy--particularly their various talks proposals on the Cambodian issue--to dupe others in an attempt to force the international community to accept their act of aggression in Cambodia as a fait accompli, the international community has been firmly standing by the principle of international law and the UN Charter and opposing the Vietnamese aggression in Cambodia. People clearly realize that their gestures are on the one hand a support for the just and correct struggle of the Cambodian people to preserve and safeguard the Cambodian race and nation and on the other a defense of the principle of international law and the UN Charter--which is a sacred principle for defending peace, security, and order in the world--to prevent expansionist aggressors who use brute force like the Vietnamese and the Soviet from trampling and sitting on it at will. Furthermore, the international community clearly realizes that its support and assistance for the Cambodian people's struggle against Vietnam's act of expansionist aggression and its unity in demanding that Vietnam withdraw its aggressor forces from Cambodia are also defending peace and stability in the region and a contribution to defending peace, security, stability, and order in the world as well.

This is why leaders of peace- and justice-loving countries the world over have frequently declared or reaffirmed their stand against the Vietnamese aggression in Cambodia, have continued to support the CGDK--which is the Cambodian people's

legitimate government--in the struggle against the Vietnamese aggressors, and have successively and firmly demanded that Vietnam respect and implement the UN resolutions by withdrawing all its aggressor forces from Cambodia. For example, on 4 June, during talks with CGDK Prime Minister Son Sann, Japanese Foreign Minister Shintaro Abe said Japan will continue to provide political and diplomatic support for the CGDK which is Cambodia's legitimate government. On 5 June, during a meeting with Son Sann, Japanese Prime Minister Nakasone said Japan will do its best to preserve Democratic Kampuchea's seat at the United Nations and to get the UN General Assembly to adopt resolutions opposing the Vietnamese aggression in Cambodia. Japan will strive to keep Democratic Kampuchea's membership in the United Nations and will support various UN resolutions which support Cambodian resistance forces against the Hanoi Vietnamese aggression and occupation.

On 2 June, Prasong Sunsiri, general secretary of the Thai National Security Council, said Thailand's policy toward Cambodia has not changed; Vietnam should withdraw all its forces from Cambodia and let the Cambodian people decide their destiny themselves. On 6 June, during a meeting with former U.S. President Carter, Thai Prime Minister Prem Tinsulanon said the Cambodian people should have the right to decide their own destiny themselves. This is the best solution to resolve the Cambodian issue. The Thai Government will continue to support the CGDK.

On 6 June, addressing the British Institute for International Studies in London, Chinese Prime Minister Zhao Ziyang said China firmly holds that all countries, big or small, are equal. China opposes big countries maltreating small ones and powerful countries looking down upon weak ones. The Chinese Government firmly supports the struggle of the Cambodian and Afghan peoples against the Vietnamese and Soviet aggressors.

On 9 June, Thai Prime Minister Prem Tinsulanon and his Singapore counterpart, Lee Kwan Yew, held official talks in Bangkok. The two sides agreed that the Cambodian issue should be resolved on the basis the UN resolutions which demand that Vietnam withdraw all its aggressor forces from Cambodia to let the Cambodian people decide their destiny themselves. On 8 June, Thai Foreign Minister Sitthi Sawetsila, at a meeting organized by Thailand's Council for Social Welfare in Bangkok, said Thailand's policy concerning the Cambodian issue is aimed at eliminating the root cause of the problem through diplomacy to get all the Hanoi Vietnamese forces withdrawn from Cambodia. Once Vietnam withdraws its forces from Cambodia, border conflicts, violations of Thai sovereignty, and the influx of refugees to Thailand will immediately end.

Statements by these various leaders clearly show that the international community continues to firmly stand on the principle of international law and the UN Charter to firmly oppose Vietnam's act of aggression. The Cambodian people hope that the international community will continue to support and assist the struggle of the Cambodian people and the CGDK through every form, continue to support and assist Democratic Kampuchea's seat in the United Nations, and continue to vigorously pressure the Hanoi Vietnamese clique forcing it to withdraw all its forces from Cambodia as prescribed by the resolutions of the 6 sessions of the UN General Assembly.

CSO: 4212/83

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK COMMENTS ON SHORTAGE OF FOOD IN COUNTRY

BK180514 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
15 Jun 85

[Station commentary: "The Cambodian People Would Like to Appeal to the International Community to do Everything Not to Let Its Humanitarian Aid Fall into the Vietnamese Aggressors' Hands"]

[Text] This year, the Hanoi Vietnamese enemy aggressors ordered their running dogs in Phnom Penh to shout about the shortage of foodstuffs in Cambodia. They said that this year, the Cambodian people lack more foodstuffs than in 1984. There is a shortage of foodstuffs of about 400,000 metric tons.

Concerning the issue of foodstuffs, the Vietnamese have ordered Heng Samrin--their running dog--to shout in accordance with their interests. When they want to boast about the puppet regime of their running dogs in Phnom Penh, the Vietnamese make propaganda about their running dogs having produced a large amount of paddy. But when they need foodstuffs to feed their aggressor troops in Cambodia, the Vietnamese order their running dogs to shout about the shortage of foodstuffs. Furthermore, they order their puppets to ask for foodstuffs from various international humanitarian organizations so that they can steal them to feed their soldiers. The Vietnamese enemy aggressors do not care about the Cambodian people who have suffered from famine. What are the causes of the Cambodian people's lack of foodstuffs?

The main cause is the Vietnamese war of aggression in Cambodia and the Vietnamese enemy's policy of creating a serious famine to massacre the Cambodian people and to commit genocide against the Cambodian race. Cambodia used to be a rich and happy country. Before Vietnam's aggression, the Cambodian people planted crops in ricefields and farmlands and had enough food to feed themselves. Furthermore, there was a surplus of crops which was exported and sold abroad. But since the Vietnamese enemy aggressors invaded our country and due to their policy of robbing and destroying everything and their policy to create a serious famine to kill our Cambodian people, our people have seriously suffered from famine and many of them have been killed every year. In particular, last year, the Vietnamese enemy aggressors intensified their activities to rob our people. They plundered the belongings, paddy, and rice of our people. They plundered the harvested paddy, and paddy in our ricefield and people's storehouses to feed their aggressor troops in Cambodia and to transport it to Vietnam.

Concurrently with their policy of robbing our people, the Vietnamese enemy aggressors have implemented a policy to starve our people by forcing them to stay in their villages or confining them in strategic hamlets so that they are not able to grow crops in ricefields and farmlands or earn their living. Moreover, the Vietnamese enemy aggressors have forced our people in various villages, communes, and districts in eastern and central Cambodia to clear bush along railroads, supply lines, and the Cambodian-Thai border and so on. The people who were forced by the Vietnamese enemy aggressors to work for them in these areas have suffered greatly from a shortage of foodstuffs and malaria. Many of them died tragically due to a lack of food and medicine. The Cambodian people have died tragically every year due to the Vietnamese enemy aggressors' criminal policies. The Vietnamese enemy aggressors do not care about the Cambodian people's suffering because their policy is to massacre the Cambodian people and to commit genocide against the Cambodian race so that they will be able to swallow Cambodian territory and make it Vietnam's territory. Therefore, the Vietnamese enemy aggressors ordered their running dogs in Phnom Penh to shout about the lack of foodstuffs and ask for food from international organizations. This is only a dark scheme in an attempt to use this food aid to feed their aggressor troops in Cambodia, who are seriously suffering from a shortage of food, so that they will be able to pursue the massacre of the Cambodian people.

The Cambodian people denounce these criminal acts and the dark schemes of the Vietnamese enemy aggressors with fierce anger. They would like to appeal to various international humanitarian organizations which have provided humanitarian aid to them to take all measures so that this aid does not fall into the Vietnamese enemy aggressors' hands. If this aid falls into their hands they will divert the aid to feed their troops and they will intensify their oppression and massacre of the Cambodian people.

The Cambodian people hope that this aid falls into the hands of the Cambodians who have really suffered. Concurrently, they would like to appeal to the international community to join hands to pressure the Hanoi Vietnamese gang until they withdraw all their aggressor troops from Cambodia in conformity with UN resolutions in order to resolve forever the problem of the Cambodian people's lack of foodstuffs and other issues.

CSO: 4212/83

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK, VODK BATTLE REPORTS FOR 7-13 JUNE

BK140554 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea and (Clandestine) Voice of Democratic Kampuchea broadcast the following battle reports during the reporting period 7 to 13 June:

At 2315 GMT on 7 June VONADK reports that between 25 May and 3 June, DK forces on the Kampot, West Battambang, Siem Ta, Samlot, Koh Kong Leu, North Sisophon, Kompong Chhnang, Kompong Thom, and South Sisophon battlefields killed or wounded 120 Vietnamese soldiers; destroyed 9 weapons, 2 trucks, and some war materiel; and seized some weapons, ammunition, and war materiel.

According to a report by VONADK at 2315 GMT on 9 June, between 28 May and 6 June, DK forces on the Kompong Chhnang, Western Leach, Kompong Cham, Moung-Pursat, Siem Reap, Chhep, and Kompong Thom battlefields killed or wounded 102 Vietnamese soldiers; destroyed 17 weapons, a commune office, 11 barracks, 6 trenches, 4 meters of railroad track, and some war materiel; seized 24 weapons and some ammunition and war materiel; and liberated 3 villages on the Kompong Chhnang battlefield.

VONADK at 2315 GMT on 10 June reports that between 27 May and 7 June, DK forces on the Battambang, East Battambang, Koh Kong Leu, Koh Kong Kraom, South Sisophon, Pailin, and Kampot battlefields killed or wounded 96 Vietnamese soldiers; destroyed 500 meters of railroad tracks, 4 sections of road, and some war materiel; and seized some weapons, ammunition, and war materiel.

According to a report by VONADK at 2315 GMT on 11 June, between 16 May and 9 June, DK forces on the Battambang, North Sisophon, Kratie, Koh Kong Leu, Kompong Som, South Sisophon, Chhep, Kampot, and Kompong Thom battlefields killed or wounded 107 Vietnamese soldiers; destroyed 9 weapons, 400 meters of railroad track, 4 commune offices, a military school, a truck, a motorcycle, and some war materiel; and seized 7 weapons, and some ammunition and war materiel.

VONADK at 2315 GMT on 12 June reports that between 27 May and 10 June, DK forces on the Pailin, Siem Reap, Kompong Thom, Samlot, and Kompong Speu battlefields killed or wounded 160 Vietnamese soldiers; destroyed 2 trucks and some weapons and war materiel; and seized some weapons, ammunition, and war materiel.

VONADK at 2315 GMT on 13 June says that between 13 May and 10 June, DK forces on the Moun-Pursat, West Battambang, East Battambang, Kompong Chhnang, Samlot, Phnom Penh, and South Sisophon battlefields killed or wounded 88 Vietnamese soldiers; destroyed 17 weapons, 150 meters of railroad track, a truck, and some war materiel, seized some weapons, ammunition, and war materiel; and liberated 5 villages on the West Battambang battlefield and 7 villages on the East Battambang battlefield.

CSO: 4212/83

11 July 1985

## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

## BRIEFS

SRV REINFORCEMENTS IN STUNG TRENG--The Vietnamese enemy aggressors sent 12 truckloads of troops from their country to Stung Treng Province on 20 May. These fresh troops were sent from Cong Tum along Route 19. This is a secret reinforcement of the Vietnamese forces in Cambodia. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Jun 85 BK]

STATEMENT ON NAMIBIA--The CGDK would like to express its firm opposition to South Africa's decision to set up the so-called provisional assembly in Namibia on 17 June. This is a scheme for the South African administration to continue its illegal occupation of Namibia forever. This is a gross insult to the international community. The CGDK denounces and condemns this decision categorically. It considers null and void all decisions of the South African administration in violation of the resolutions of the UN General Assembly and the UN Security Council on Namibia, especially Security Council Resolution No 43 A. The CGDK completely supports the 3 May declaration of the president of the Security Council, and it would like to take this opportunity to express once again its firm support for the struggle of the fraternal Namibian people under the leadership of the South-West African People's Organization until Namibia gains its complete independence. Democratic Kampuchea, 14 June 1985 [Signed] CGDK Foreign Ministry [14 June CGDK Foreign Ministry statement on South Africa's creation of provisional assembly in Namibia] [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Jun 85 BK]

VILLAGES 'LIBERATED' IN KOMPONG CHAM--We attacked the commune office of the rubber plantation union located at (O Pram), Stoeng Trang District, Kompong Cham Province, on 13 June, killing and wounding a number of Vietnamese enemy soldiers. We destroyed a commune office, two sacks of rice, and a quantity of military materiel. We seized two sacks of rice and liberated four villages: (O Prem Leu), (O Pram Kraom), Sam Kam, and Andong Svay. [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Jun 85 BK]

VILLAGES IN BATTAMBANG LIBERATED--On the night of 11 June, we launched a sweeping operation against the Vietnamese soldiers in areas stretching from Kong Tum to Phum Mea [on the north Battambang battlefield]. After 30 minutes of fighting, we killed or wounded some Vietnamese soldiers. We liberated nine

villages, namely, Phum Kong Tum, Svay Chrum, Ek Reangsei, Prek Norin, Damrei Slap, Koy, Kdei, Rohal Suong, and Duong Mean. [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Jun 85 BK]

SRV REGIMENT COMMANDERS KILLED--Stung Freng battlefield: On the night of 7 June, our forces launched a commando raid on a Vietnamese company position at Phum Chan Tuh in Siem Pang District. After fighting for 30 minutes, we totally destroyed this position. We killed 10 Vietnamese soldiers and wounded 7 others. We destroyed 1 RPT, 1 B-62, 1 ammunition dump, 11 barracks, 1 command post, 11 large trenches, 30 small trenches, and some war materiel; seized 1 RPT, 1 S-62, 1 B-41, 3 SK's, 136 rounds of AK ammunition, 3 B-40 rockets, 190 rounds of 60-mm mortar shells, 8 hand grenades, 5 maps, 12 hammocks, 6 rucksacks, 15 sets of military uniforms, 5 canteens, 1 compass, and some war materiel; and liberated 2 villages, namely, Chan Tuh and Sre Mon. Kompong Thom Battlefield: On 8 June, our forces ambushed and set ablaze a Vietnamese jeep moving from Preah Vihear to Kompong Thom on route 12 when it arrived at an area between Phum Sre and O Kroch. We killed eight Vietnamese on the jeep. Among these were three regiment commanders. We destroyed three pistols, three AK's, a C-46 field radio, a C-25 field radio, and some war materiel. [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Jun 85 BK]

FAMILIES TO SETTLE IN KAMPOT--From the beginning to the end of May the Vietnamese enemy aggressors continued to send 89 more Vietnamese families to settle in Angkoul commune, Kompong Trach District, Kampot Province. Upon their arrival, the Vietnamese chased our people out of their houses. Anyone who dared to protest was arrested and jailed. These Vietnamese nationals brought with them motorboats and fishing gears. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Jun 85 BK]

SOLDIERS TO SHELL ANGKOR WAT--Cambodian soldiers in Siem Reap Town, Siem Reap Province, on 2 June mutinied against the Vietnamese aggressors, shooting two of them dead on the spot. The reason was that they were indignant at being told to use artillery pieces to shell and destroy Angkor Wat temple. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Jun 85 BK]

CSO: 4212/83

PEOPLE'S REPUBLIC OF KAMPUCHEA

SOVIET-BUILT HOSPITAL INAUGURATED IN BATTAMBANG

BK130256 Phnom Penh Domestic Service in Cambodian 1200 GMT 12 Jun 85

[Text] The Defense Ministry organized a ceremony on 10 June to inaugurate a new military hospital in Battambang town built with Soviet aid. The hospital is named "19 June. Attending the inauguration ceremony were Comrade Soy Keo, member of the party Central Committee, deputy minister of national defense, and chief of the General Staff; Comrade Hem Samin, deputy minister of economic and cultural cooperation with foreign countries; Comrade (Chan Tara), deputy chief of the General Logistics Department; Comrade Sum Sat, deputy permanent secretary of Battambang Provincial Party Committee; the comrade chiefs and deputy chiefs of the General Staff, General Political, and General Logistics departments; and cadres and chiefs and deputy chiefs of offices in Battambang Province. Also present were Comrade (Auganduriy), economic adviser to the Soviet Embassy in Cambodia, and his colleagues.

Speaking at the ceremony, the Soviet economic adviser stressed that the KPRAF have grown up rapidly with each passing day and the Cambodian people's livelihood has improved, thus the Soviet assistance in building this hospital and the Soviet doctors' work at this hospital are aimed at strengthening the health of the Cambodian armymen and people so they can fight victoriously against the enemies and struggle effectively for the construction of their socialist fatherland.

In his speech, Comrade Soy Keo, member of the party Central Committee, deputy minister of national defense, and chief of the KPRAF General Staff Department, noted: this is the first time that we and the Soviet Union have built a hospital for countering malaria in Battambang Province. This hospital is an evidence of the effective PRK-USSR cooperation in the past years as well as the future.

On behalf of the Defense Ministry, Comrade Soy Keo expressed profound thanks to the Soviet party and people for assisting the Cambodian people morally and materially in national defense and construction. He also stressed: despite serious defeats in the past dry season, the enemies of all stripes have resorted to more perfidious maneuvers. In fighting the enemies, our armed forces and people must be in dangerous terrain and face both bad weather and all kinds of diseases. With a spirit of proletarian internationalism, the Soviet Union has assisted us in building this hospital and providing us with equipment, medicine, and doctors for coping with these problems.

The comrade deputy minister exhorted the provincial party committee, armed forces, and particularly cadres and personnel in the hospital to work hard so as to give effective treatment to our armed forces and people, particularly those in Battambang Province.

Comrades Soy Keo and (Auganduriy) then cut the ribbon, inaugurating the "19 June" hospital as of 10 June. The hospital has 200 beds and is equipped with modern instruments from the Soviet Union.

CSO: 4212/83

11 July 1985

## PEOPLE'S REPUBLIC OF KAMPUCHEA

## REPORT ON AGRICULTURAL DEVELOPMENTS 10-16 JUNE

BK181220 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 10-16 June:

National level: Phnom Penh SPK in French at 1116 GMT on 12 June reports that for this main rice season, 180,000 hectares of land have so far been tilled, of which 27,800 hectares have been sowed and 59,900 hectares transplanted, and that Battambang, Takeo, and Prey Veng Provinces head the list, with 10,800 hectares, 8,600 hectares, and 4,900 hectares planted, respectively. It adds that in Kandal Province, 6,000 hectares of corn, 200 hectares of beans, and 300 hectares of industrial crops were planted; in Prey Veng Province, 1,000 hectares of corn, 1,000 hectares of industrial crops, and 600 hectares of vegetables were planted; in Battambang Province, about 1,1400 [as received] hectares of jute were planted; and that this year, 1.7 million hectares are planned for rice cultivation.

Takeo Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 10 June reports that so far, peasants in Angkor Borei District have sold 400 metric tons of paddy to the state.

Kratie Province: According to the radio at 0430 GMT on 11 June, by the end of May, peasants in Prek Prasap District had tilled almost 935 hectares of land for subsidiary crops and 1,400 hectares of land for slash-and-burn rice. At 1101 GMT on 11 June, SPK in English says that by mid-May, peasants in the province had planted 1,500 hectares of corn, 570 hectares of sesame, 320 hectares of rice, 140 hectares of peanuts, and 100 hectares of cassava. The report also says that the provincial agricultural service distributed 160 metric tons of chemical fertilizers, 1,500 liters of insecticides, 80 metric tons of IR-36 rice seeds, and 1 metric ton of rat poison to peasants. The province plans to grow 17,000 hectares of rice, including 2,000 hectares of medium-term rice and 12,000 hectares of short-term rice, this season, the report concludes. At 1300 GMT on 12 June, the radio says that by the end of May, peasants in Kratie District had tilled 65 hectares of land and that nearly 745 hectares of land for slash-and-burn rice were made ready for cultivation. At 0430 GMT on 15 June, the radio says that by the end of May, peasants in Sambo District had tilled 10 hectares of land for ordinary rice, 70 hectares of land for slash-and-burn rice, and 15 hectares of land for subsidiary crops. In a report broadcast at 1300 GMT on 15 June, the radio says that early this rainy season, peasants in Chhlong District tilled 70 hectares of land for rice and over 500 hectares of land for subsidiary crops.

Kompong Chhang Province: At 1300 GMT on 11 June, the radio reports that by early June, peasants in the province had transplanted more than 3,000 hectares of rainy season rice, broadcast more than 3,000 hectares of rainy season rice, broadcast more than, 2,900 hectares of floating rice and planted 120 hectares of subsidiary crops and 170 hectares of industrial crops.

Kampot Province: According to the radio at 0430 GMT on 12 June, by the end of May, peasants in the province had tilled more than 5,000 hectares of land, sowed more than 3,500 hectares of various types of rice, and transplanted more than 700 hectares of rice. At 0430 GMT on 13 June, the radio says that in May, fisherman in the province caught more than 460 metric tons of sea products. According to SPK in English at 1104 GMT on 16 June, by early this month, peasants in the province had sold to the state 8,900 metric tons of surplus rice, or 89 percent of the plan.

Battambang Province: At 1300 GMT on 13 June, the radio reports that by the end of May, peasants in the province had tilled 46,740 hectares of land, broadcast 34,250 hectares of rice, planted 135 hectares of slash-and-burn rice, sowed 1,130 hectares of rice, and planted nearly 9,000 hectares of subsidiary food and industrial crops.

Pursat Province: At 0430 GMT on 16 June, the radio says that by early May, peasants in Kandieng District had tilled more than 400 hectares of rice, and planted almost 2,000 hectares of subsidiary crops. According to a report by SPK in English at 1104 GMT on 16 June, by the end of May, peasants in the province had sold 7,700 metric tons of surplus rice to the state.

Kandal Province: At 1058 GMT on 12 June, SPK in English reports that so far, peasants in Kaoh Thom District have transplanted 1,700 hectares of rice and planted 3,550 hectares of corn. The reports adds that the district agricultural service plans to provide peasants with 1,400 metric tons of chemical fertilizers, 600 liters of insecticides, and 46 kg of rat poison, and that last dry season, the district harvested 6,550 hectares of rice with a yield of 3 metric tons per hectare. At 1104 GMT on 16 June, SPK in English says that in May, peasants in S'ang District sold 40 metric tons of surplus rice to the state.

Strung Treng Province: At 1120 GMT on 12 June, SPK in French reports that by the end of May, peasants in Stung Treng District had sold more than 150 metric tons of paddy and more than 10 metric tons of beans to the state.

CSO: 4212/83

11 July 1985

## PEOPLE'S REPUBLIC OF KAMPUCHEA

## CUBAN ENVOY HANDS CASTRO LETTER TO HENG SAMRIN

BK110635 Phnom Penh Domestic Service in Cambodian 0430 GMT 11 Jun 85

[Text] On the afternoon of 10 June at 1500, Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK Council of State, received Comrade Viriato Moradiaz, charge d'affaires of the Cuban Republic to the PRK, at the former royal palace. A letter from Comrade Fidel Castro, commander of the Cuban Army, first secretary of the Cuban Communist Party Central Committee, and chairman of the Council of State and the Council of Ministers of the Cuban Republic was handed over at the meeting.

Speaking on the occasion, Comrade General Secretary Heng Samrin expressed his fraternal sentiments toward Comrade Fidel Castro, the Cuban party and state, and the entire people. The comrade general secretary also expressed resolute support for the just cause for struggle of the Cuban people in defending their economic basis and socialism. Once again, Comrade General Secretary Heng Samrin expressed satisfaction over the further development of the relations of friendship and solidarity between the two countries.

Replying, Comrade Viriato Moradiaz voiced support for the just cause for struggle of the entire Cambodian people in defending their independence, in particular the brilliant victories of the Cambodian revolutionary armed forces during the 1984-1985 dry season. The comrade firmly believed that the relations of friendship and solidarity between the two countries and peoples will be further expanded and strengthened.

CSO: 4212/83

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SIM ATTENDS YOUTH MOVEMENT MEETING

BK130731 Phnom Penh Domestic Service in Cambodian 0430 GMT 13 Jun 85

[Text] On the morning of 13 June at 0800, the first meeting to sum up the results of the 3-good youth emulation movement throughout the country was solemnly held at the Chattomuk conference hall. Among the presidium to honor the meeting were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and the KUFNCD National Council; Comrade Mat Ly, member of the party Central Committee, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Mean Sam-An, alternate member of the party Central Committee and president of the Kampuchean Revolutionary Women's Association; Comrade Kang Nem, acting secretary of the provisional Central Committee of the Kampuchean Youth Union; and Comrade Sam Sundoeun, chairman of the Central Committee of the Kampuchean People's Revolutionary Youth Association. Moreover, the delegation of the Ho Chi Minh Communist Youth Union led by Comrade (Le Thanh Dao), member of the Council of State and second secretary of the Central Committee of the Ho Chi Minh Communist Youth Union, and that of the Lao People's Revolutionary Youth Union led by Comrade Chanpheng Vilavong, member of the Central Committee of the Lao People's Revolutionary Youth Union led by Comrade Chanpheng Vilavong, member of the Central Committee of the Lao People's Revolutionary Youth Union, also attended the meeting. Also honoring the occasion with their presence were comrades ministers, deputy ministers, members of the PRK committee for organizing the 12th world youth festival, and comrades representatives from party committees in the provinces and municipalities and from various central ministries and services. The comrades ambassadors, charges d'affaires, and representatives from various friendly embassies accredited to the PRK also honored the meeting with their presence.

Speaking on the occasion, Comrade Kang Nem expressed warm congratulations on the meeting, which achieved brilliant results in the 3-good youth emulation movement in the past both in production and learning. The comrade stressed that the efforts of all Cambodian youths in the past not only show their fighting and pioneering spirit in the cause of defending and building the Cambodian fatherland but are also an active contribution to the struggle for peace and bright future for the young the world over.

This meeting will continue its work this afternoon.

CSO: 4212/83

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SOTH ATTENDS MEETING ON GOODS INSPECTION

BK130647 Phnom Penh Domestic Service in Cambodian 0430 GMT 13 Jun 85

[Text] During the past 6 years, our state has been in control of equipment, materials, and goods in various sectors which have achieved high standards in their administrative work and in import and export.

Clearly understanding the strategic importance of the party and state, every organization, decision, and suggestion of the Central Inspection Commission has been actively implemented by each sector level and directorate, in municipalities and provinces down to local units. During the inspection on 1 January 1985, among the 38 ministries and directorates in municipalities and provinces, the Central Inspection Commission carried out the task of checking 5,325 types of goods out of 104,291. The proportion of goods which were lacking was down by more than 51 percent compared to 1984 and that of the goods not listed by over 72 percent. The proportion of inspected goods was increased two fold compared to the inspection carried on 1 July 1984.

At a meeting to sum up the results of the inspection commission's work on 1 January 1985, Comrade Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, planning minister, and chairman of the Central Inspection Commission, highly appreciated the result of the current inspection. The comrade called on all levels of the commission to increase their efforts in carrying out the task so that our state is in full control of materiel in the country and ensure the balance between imports and exports of every important product of the state.

CSO: 4212/83

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON KPRAF BATTLE SUCCESSES IN 40 OPERATIONS

BK140229 Phnom Penh Domestic Service in Cambodian 1200 GMT 13 Jun 85

[From the "Weekly Roundup of Salient Events" feature]

[Excerpt] During the past week, our KPRAF, in close cooperation with the Vietnamese army volunteers, recorded new achievements in sweeping operations against the Pol Pot remnants and Sereika elements of all stripes along the Cambodian-Thai border. We have strengthened our control over all positions and firmly defended our villages, communes, and localities. Despite the serious defeats inflicted by our forces, Beijing and Washington have desperately sought to assist their lackeys by providing arms, ammunition, and food to the remnants and bandits taking refuge at Thailand's threshold and instigating Thailand to send L-19 and A-37 aircraft and helicopters to carry out reconnaissance flights over the common border of the three countries--Phnum Kambot, hill 547, the Preah Vihear temples, Yeang Dangkum, Soda, and Kantuot. In some areas, such as Kantuot, Thai aircraft carried out reconnaissance flights 20 km deep inside our territory. This week, Thai aircraft carried out a total of 10 reconnaissance flights over our airspace; last week, they carried out only 5 flights.

Worse still, the Thai authorities fired dozens of 60-mm and 120-mm mortar shells onto hill 453 south of 301 st pass. At the same time, the bandits of all stripes penetrated our territory in an attempt to commit crimes, robbing, burning down houses, killing innocent people, and sabotaging our communications lines. But, they could not escape our punishment. During the past week, in 40 operations launched on all battlefields, we scored brilliant victories. We put out of action 105 Pol Pot remnants and other Cambodian reactionaries, including 20 killed, 30 wounded, 6 captured, and 49 others surrendered to our revolutionary authorities. We seized 20 assorted weapons.

CSO: 4212/83

MILITARY AFFAIRS AND PUBLIC SECURITY

LAW ENFORCEMENT PERSONNEL APPREHENDED WHILE GAMBLING

Hanoi HANOI MOI in Vietnamese 14 Mar 85 p 4

['Each Day a Story' Column by 'The Builder': "Law Enforcers Stand Watching Lawbreakers!"]

[Text] The time: 2330 on 25 February 1985. The location: Room 204 (on the second floor) of 112 Tran Hung Dao Street (in the collective housing area of the General Railway Department).

The outside door was locked and it appeared that the owner was absent. Inside however, a "red and black" affair was occurring. When the public security personnel broke in, a number immediately leaped through the window and over the railing to escape so only about 15 people were apprehended on the spot along with bowls, plates and four dice cups. Worthy of note is that among those captured "in battle" were a police warrant officer and a procurator from the People's Procurate of Hai Ba Trung Ward. These two members of two sectors responsible for controlling, inspecting, processing and prosecuting lawbreakers confessed to the authorities that they had come to visit an acquaintance when the door was locked and they stood watching but did not participate in the gambling!

Even if these two individuals only "stood watching," it was still wrong because their job was the law and they had calmly stood watching numerous individuals breaking the law by gambling.

The Builder knows that the public security and control agencies, the locations of the personnel concerned, have and are implementing appropriate forms of disciplinary review for them. Even so, this serious incident must be presented for public discussion to serve as a cadre and soldier management lesson for agencies and units.

7300  
CSO: 4209/467

MILITARY AFFAIRS AND PUBLIC SECURITY

HANOI GAMBLING INCIDENTS INCREASE

Hanoi HANOI MOI in Vietnamese 21 Mar 85 p 4

['Each Day a Story' Column by 'The Builder': "Education Alone Is Not Enough"]

[Text] On the night of 9 March 1985, taking advantage of the soaking rain and cold wind and believing that the public security cadres and men would be relaxing on Saturday night, a group of seven gamblers gathered to play at the home of Phi Huu Luyen at 18 Nha Tho Street. Unexpectedly, although they had climbed to the second floor and passed through four doors to reach the gambling den, they were accurately reported by the people and surrounded and caught in the act by the Hoan Kiem Ward public security personnel as they sat intoxicated in trying to win from each other. Discovered suddenly, not one escaped. Evidence confiscated from the gambling mat included up to 40,000 dong, a deck of cards, a dice cup, etc. Among the seven suspects were men such as Luyen who has a police record for gambling but remains incorrigible. Also noteworthy was the presence of even a teacher from a school in Hai Ba Trung Ward. The authorities of Hang Trong Subward brought the suspects before a people's conference for criticism as a lesson to deter and stop those still infatuated with gambling. On the other hand however, The Builder believes that these gambling suspects should be tried before the court because of the developing tendency of gambling in the city and the resulting many serious consequences to the economy, to the feelings of many families, and to social order and security.

7300

CSO: 4209/467

11 July 1985

## VIETNAMESE AID TO KAMPUCHEAN PROVINCE REPORTED

Hanoi NHAN DAN in Vietnamese 27 Apr 85 pp 2, 4

[Text] Though separated by a distance of nearly 2,000 kms, since early 1981, Binh Tri Thien and Siem Reap-Oddar Meanchey have become two sister provinces in a spirit of cooperation and mutual assistance.

Situated in northwest Kampuchea and sharing over 100 kms of common frontier with Thailand, Siem Reap-Oddar Meanchey has a natural area of 1.6 million hectares--nearly equal to that of Binh Tri Thien--but its population of about 500,000 is less than one-third of Binh Tri Thien's. Like Binh Tri Thien, Siem Reap-Oddar Meanchey is in a strong position because of its agricultural, forestry, fishing and tourist potentials. It has 250,000 hectares of farmland (its rice growing delta has an area of over 170,000 hectares) and nearly 200,000 hectares of forest (representing one-eighth of the total forest area of the country) with many kinds of precious wood. Some 10,000 tons of fish can be caught yearly from the vast Tonle Sap region whose numerous banks abound with fish. While Binh Tri Thien is the seat of Hue City--the former capital of Vietnam--Siem Reap is the former capital of Kampuchea and the seat of Angkor Wat and Angkor Thom which are considered one of the marvelous sights in the world.

Under the Pol Pot-Ieng Sary-Khieu Samphan regime, these strong points were seriously destroyed instead of being exploited. Following the liberation of Siem Reap-Oddar Meanchey, large groups of Kampuchians returned from deadly areas to this province to rebuild their native land. With the wholehearted aid of the Vietnamese troops, these people overcame a horrible famine and gradually stabilized their life, reorganized the administrative system and set up mass organizations. Only one month after the official pledge of sisterhood and mutual assistance between the two provinces, Binh Tri Thien sent out many specialist delegations to help this friendly province.

After the genocidal calamity wreaked by the Pol Pot regime, there were no physicians left in Siem Reap-Oddar Meanchey Province at a time when diseases and epidemics were rampant. While promptly supplying a certain amount of machines and equipment, the Binh Tri Thien Public Health Service quickly sent specialists to help the sister province build and develop hospitals and train cadres and simultaneously to directly treat thousands of patients.

From late 1981 to early 1982, the Binh Tri Thien Posts and Telecommunications Service sent three specialist delegations to help the sister province repair and install 5 switchboards and 46 walkie-talkies, draw up a namelist for and a sketch of the city switchboard, expand the wire network, install many more telephones in the city and Puoc District and, at the same time, open many training courses to improve the cadres' and workers' specialized knowledge of mechanical repair and maintenance technique.

The Binh Tri Thien Industrial Service sent cadres and workers to the sister province to help survey and inspect machines, compile statistical data, improve bolt molders and draw up plans to preserve equipment and repair the power plant, textile mill and mechanical engineering factory in the city.

The Binh Tri Thien Agricultural Service helped the sister province draw up a plan for the Tuc Voi rice seed station, study ways to develop high-yielding purebred rice strains and guide the cultivation of high-yielding ricefields; our stock farming engineers helped the sister province build breeding hog ranches and taught methods of classifying and selecting hog species, processing feed and protecting domestic animals by taking antiepidemic measures.

The Binh Tri Thien Transportation and Communications Service sent its personnel to help the sister province repair two 200-ton ships which were damaged by the Pol Pot clique before running away. Our engineers and workers together with the friendly cadres and workers endured climatic inclemencies for a half-year to install machines and repair the ship bodies. Both ships were put into operation in December 1981. To date, these ships--named "Siem Reap-Oddar Meanchey-Binh Tri Thien Friendship" by the sister province--have been operating satisfactorily and transported thousands of tons of merchandise and thousands of passengers on the Tonle Sap and from Siem Reap-Oddar Meanchey to Phnom Penh and vice versa.

Despite a long distance and difficult roads, the Binh Tri Thien construction sector carried building materials and sent many specialist delegations to help the sister province repair and rehabilitate a number of works and build new ones such as the "Peace" Hotel, the "Apsara" movie theater (now renamed "Friendship Movie Theater" by the sister province authorities) and the municipal water works. Together with the Soviet and Kampuchean workers, our engineers and workers built a new power plant--a project symbolizing the friendship between the three brotherly peoples--Vietnamese, Kampuchean and Soviet--on the Siem Reap-Oddar Meanchey territory.

9332

CSO: 4209/419

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

INDOCHINESE PROPOSALS--Hanoi, VNA, 19 June--"The Indochinese countries' persistent proposals aimed at making southeast Asia a region of peace, cooperation and stability are an important factor to stabilize and normalize the situation in Asia," says the Soviet newspaper SELSKAYA ZHIZN (RURAL LIFE) in an article on [as received]. The paper says: "Nations in Asia are continuing the struggle for freedom. However, this struggle can be successful only in an environment of peace, good neighbourhood and mutually beneficial international cooperation. The main obstacle to this goal is the war-like policy of the imperialist forces headed by the U.S. imperialists. They are doing their utmost to stall the development of history on the Asian continent, prevent social progress and the consolidation of independence of Asian nations, prod Asian countries into confrontation and obstruct the process of eliminating the hotbeds of tension in the region. Besides, Washington is pursuing its long-term strategic goals in Asia. The United States has built more than 300 military bases in Asia, and is laying the groundwork for the deployment of nuclear weapons in its forward bases in the Pacific, Indian and Atlantic oceans." [Text] [Hanoi VNA in English 0717 GMT 19 Jun 85 OW]

CSO: 4200/1112

PARTY ACTIVITIES AND GOVERNMENT

VNA REVIEWS HISTORY OF REVOLUTIONARY PRESS

OW200935 Hanoi VNA in English 0722 GMT 20 Jun 85

[Text] Hanoi, VNA, 20 June--On the occasion of Vietnam press day (21 June), we publish the following document on the founding and development of the Vietnamese revolutionary press, supplied by the Vietnam Journalists' Association:

On 21 June 1925 the THANH NIEN (YOUTH) newspaper, organ of the general committee of the Revolutionary Youth League, one of the embryonic organizations of the Communist Party of Vietnam founded by Nguyen Ai Quoc--President Ho Chi Minh--published its first issue.

Because of the difficulties in those days, THANH NIEN was printed on coarse paper in the 13x19 cm format. Published weekly in Vietnamese on two pages and occasionally four pages, the paper was clandestinely brought from abroad into the country. Under the direct guidance of Nguyen Ai Quoc it appeared in 88 issues up to early 1927.

THANH NIEN was the first revolutionary newspaper of the Proletariat in Vietnam. It introduced Marxism-Leninism and popularized the revolutionary line charted by Nguyen Ai Quoc among all strata of life in the country. The publication of THANH NIEN by Comrade Nguyen Ai Quoc was aimed at preparing conditions for the founding of a Communist Party in Vietnam.

Despite its small format and limited circulation, THANH NIEN exerted great influence on its readers. It helped awaken the sense of patriotism among Vietnamese workers, peasants, soldiers and especially the young intellectuals at the time.

The French Intelligence Service in Indochina had this to say about THANH NIEN influence: "Nguyen Ai Quoc's newspaper has its readership among members of the Revolutionary Youth League at home and abroad and large segments of the population. They read it and copy it many times for others to read."

The revolutionaries and labouring masses founded in THANH NIEN a bright star blazing their way. Commented a reader: "Reading the paper leads to thinking and thinking leads to awakening, awakening leads to uprising and unity to engage in the revolution."

THANH NIEN propagated the goals and line of the revolutionary youth league, and pointed out the strategy and tactics for the national liberation struggle, which were to overthrow the French imperialists and the feudal regime to regain independence and freedom, and to advance to socialism and communism.

With concrete facts and figures and a plain style understandable to all, THANH NIEN denounced French imperialism in Indochina in all fields, economic, political, military, cultural and social, so as to deepen the Vietnamese people's hatred for imperialism, educate them and arouse their patriotic feelings. An excerpt: "To topple imperialism means to drive out the french imperialists and any other imperialists who invade our country" and at the same time "to root out the king and mandarinates who serve as the tool for their oppression and exploitation of our people."

THANH NIEN also made a thorough analysis of the inner contradictions of capitalism and imperialism and asserted: "Capitalism will certainly collapse and its doomsday is drawing near." The paper called on the people to rise up in revolution.

National salvation and liberation are the common cause of the entire people, not of any single group of persons. The paper criticized the erroneous view which overlooked the strength of the people, and made it clear: "Revolution must base itself on the masses since it is aimed at serving the interests of the masses, not of few leaders."

Analyzing the class line-up in the then Vietnamese society, THANH NIEN came to this conclusion: "The force of the revolution stems from the nation as a whole. Accordingly, the higher the awareness of the masses, the stronger the revolutionary force workers and peasants make up the majority of the population. Besides, the goal of a worker-peasant revolution is to serve the interests of the whole nation. Therefore, those workers and peasants who are conscious of the goals of revolution are the most zealous revolutionaries."

The Vietnamese revolution is inseparable from the world revolution and indeed, its integral part. Through its many lively reports and articles, THANH NIEN acquainted its readers with Lenin, the Great October Revolution and the first proletarian state in the world--the Union of Soviet Socialist Republics.

THANH NIEN said: "To win complete success, the Vietnamese revolution must be placed under the leadership of a political party of the Vietnamese working class armed with the Marxist-Leninist theory."

THANH NIEN analyzed the class and organizational characters of the party, its orientation and goals of struggle and the task of each party member. During the turbulent period of the Vietnamese history from 1925 to 1930, the paper THANH NIEN founded by Nguyen Ai Quoc assumed the task of, as Lenin put it, "a collective propagandist, a collective promoter and a collective organizer." Together with the book "the revolutionary path" and other documents, THANH NIEN exerted a great effect on the preparations in the ideological, political and organizational fields for the foundation of the Communist Party of Vietnam.

THANH NIEN was the bellewether of the revolutionary press in Vietnam. Ever since, the Vietnamese revolutionary press has constantly developed, making great contributions to the revolutionary cause of the Vietnamese working class and people.

Under French domination, in defiance of harsh repression, arrests, imprisonments and executions by the imperialists and their agents in the feudal regime, the revolutionary journalists, printing workers and distributors continued to surmount all difficulties and dangers to publish and take the clandestine papers to their readers.

Between the birth of THANH NIEN in 1925 and the foundation of the Communist Party of Vietnam in 1930, more than 50 revolutionary newspapers were published and circulated in the country. The member [as received] rose to 500 and more from the foundation of the CPV to the triumph of the August Revolution in 1945.

After the August Revolution in 1945, the revolutionary press became the official press of the Democratic Republic of Vietnam, now the Socialist Republic of Vietnam. Forty years have elapsed, during which time the Vietnamese press has vigorously developed and greatly contributed to the victory of the wars of resistance against the French and U.S. imperialists, the struggle against the Chinese expansionists and hegemonists, and the cause of socialist construction of the Vietnamese people.

At present, there are in Vietnam more than 200 newspapers and magazines and over 500 bulletins of scientific information published regularly. The Vietnam News Agency has incessantly expanded its network; the television and radio have also grown continually. Of the country's 6,000 registered journalists, 3,000 are members of the Vietnam Journalists Association.

It is now 60 years since the first issue of the paper THANH NIEN was published. To mark the 60th anniversary of this first revolutionary newspaper and as a tribute to the late President Ho Chi Minh, the great leader of the Vietnamese Communist Party, working class and people and the founder of Vietnam's revolutionary press, the secretariat of the Central Committee of the Communist Party of Vietnam has decided to make 21 June each year the "Vietnam Press Day."

The "Vietnam Press Day" will be an opportunity to strengthen the leadership of the party towards the press, promote the press's role in social life, enhance the sense of responsibility of all journalists, and strengthen the ties between the press and its readers, etc. This is also an opportunity to encourage the Vietnamese journalists to join the entire party and people in further developing the press so as to make it an effective tool in service of the successful building of socialism and the defence of the Socialist fatherland.

Vietnamese press workers enthusiastically welcome their festive day and pledge to do their utmost to contribute to the revolutionary press of "peace, social progress and socialism."

CSO: 4200/1112

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HCMC ASSAULT YOUTH ACTIVITIES--More than 50,000 assault youths in Ho Chi Minh City have participated in reclaiming wasteland and building new zones. They have excavated and emplaced 6.5 million cubic meters of earth [to build] water conservancy projects. They have reclaimed more than 40,000 hectares of wasteland and built 46 new economic villages for 40,000 people. They have built and are managing three state farms, one state forest and four enterprises to fell trees and process wood and to produce sugar and paper pulp. A total of 18,865 youths have been recruited into the union, and 136 union members have been recruited into the party. [Text] [Hanoi TIEN PHONG in Vietnamese 23-29 Apr 85 p 1] 11943

CSO: 4209/455

11 July 1985

## ECONOMIC PLANNING, TRADE AND FINANCE

## IMPROVEMENT OF DISTRIBUTION, CIRCULATION URGED

Hanoi NGHIEN CUU KINH TE in Vietnamese Apr 85 pp 46-51

[Article by Nguyen Quynh: "Improve Distribution and Circulation To Develop Production"]

[Text] Recently the distribution-circulation work has been regarded as a vital front. In fact, the Party Central Committee held a specialized conference on that topic. Since then there have been many conferences and resolutions on the distribution-circulation work in general. However, because of many different reasons distribution and circulation have continued to be an increasingly hot topic.

Theoretically and practically the viewpoint of the Party is to always regard distribution and circulation as a production sphere and affirms the viewpoint of serving production. Those are extremely correct viewpoints. In the scope of this study we have taken the perspective of a producer in examining how distribution and circulation affect production in order to make some corresponding recommendations. Because of limitations with regard to capability and research requirements we have only presented the topic in the form of generalized viewpoints.

## I. Some Common Problems

It is necessary to place distribution and circulation in a unified process: "production, distribution, and circulation." Thus although we enter deeply into production (only what has been produced can be distributed and circulated), it is necessary to realize that distribution and circulation are in the lead and create the necessary preconditions for the production process that follows. Therefore, distribution and circulation have become a sphere of work with a decisive effect on the expanded reproduction process. Also for that reason we regard distribution and circulation from the point of view of the process of socialist expanded reproduction.

For a long time we have often combined the two spheres of distribution and circulation (in the past we were accustomed to calling them the circulation-distribution sphere). If we examine them a little more closely we see that they are two work spheres because they are the responsibilities of organs with

different functions. In a general sense distribution is carried out by organs with planning functions. For example, there are materials distribution (materials supply) plans, plans for the distribution and use of consumer goods (by such means as plans for the two-way exchange of goods between industry and agriculture), etc. Circulation, however, is the responsibility of sectors with other functions, such as home trade, foreign trade, materials supply, the banks, etc. It is very necessary to distinguish among the functions of some of those organs because failure by an element to properly carry out its function in the organizational structure at any time is always a reason for the weakening or destruction of the organization.

While distinguishing between the two kinds of work performed by two types of functional organs, it is also necessary to realize that there is a dialectical relationship between those two types. Here we see that it is necessary to pay attention to the fact that once a distribution plan is properly drafted and there are ample scientific and actual bases, the circulation sectors have the mission of carrying out the distribution plan that has been approved. Distribution that is not in accordance with distribution plans is a reason why production is chaotic and seriously affects the process of expanded socialist reproduction.

The distribution-circulation work consists of many successive phases. In the sphere of this study we will restrict ourselves to initial of distribution and circulation. Redistribution (and the corresponding circulation process) is not dealt with in the study.

In a general sense, distribution has the mission of distributing for the process of expanded reproduction (including the distribution of accumulation), and for the improvement of living conditions and social developments. A little more specifically we can distinguish between:

--Distribution for production, consisting of the distribution of capital construction capital to improve the structure of the economy and the sectors in order to achieve new balances and gradually eliminate the imbalances which arise in the previous production process. The second content is the distribution of production means to fulfill the production missions, produce products, carry out basic construction, research and test-produce new products, carry out scientific-technical research, etc.

--Distribution for life and social development is carried out primarily by means of salaries and bonuses, by means of collective welfare (including the part provided by society by means of building public welfare installations, the development of school and hospital systems, etc., and the part provided by production and commercial organizations).

By means of that preliminary analysis it is possible to see that the distribution work has been carried out in the process of drafting and approving national economic plans by means of component plans, such as the production plans of the industrial, agricultural, and other sectors, the capital construction investment plans of all economic-cultural-social plans, materials supply plans, salary and budget plans, etc. At the same time, that distribution has been manifested by means of determining the accumulation-

consumption relationship, determine (and adjust) the rate of profits (and prices), the ratio of income set aside for funds by the production and commercial organizations, the ratio and level of tax payments, etc. The quality of distribution depends on the quality of work of the organs responsible for establishing those relations and plans.

In actuality there are still many weaknesses and problems in the distribution work, which are manifested primarily by means of the following:

1. In the sphere of distributing materials for the process of expanded reproduction we see that it is necessary to pay attention the following principal aspects:

--With regard to the organization of materials management we must complete the system of lists of materials for which the economic management system is responsible. Those lists must be continually supplemented and adjusted so that they can be appropriate to the characteristics of the economic development situation.

--With regard to management, it is necessary to pay attention to drafting and promulgating norms for the use of materials (including long-range norms, norms for each period of time, over-all norms for the economy, and sector norms) to create a basis on which to approve the materials distribution norms to the echelons using them.

--With regard to the policy toward using materials, in order to determine the order in the consumption of materials concentrated in the production and commercial missions which ensure high economic effectiveness and have clear effect in increasing the development rate of the process of socialist expanded reproduction.

--Priority in distributing materials must go units which use them most economically and effectively. That is related to the task of assigning production missions to the production sectors and is carried out in the process of drafting plans (long range and short range plans) by the sectors. By that means we must make the reorganization of production part of the planning process.

2. In drafting plans for investing in capital construction in order to achieve the process of expanded socialist reproduction it is also necessary to pay attention to the following matters:

--With regard to the economy as a whole it is necessary to concentrate investment capital on overcoming the imbalances which arose in the production process in the past. The actual situation shows that the weak links of the social production process are the raw materials production, energy, and communications-transportation sectors. That task is dependent on the quality of the work of balancing the economic sectors. That task is above all within the sphere of organizing production and establishing cooperative distribution relations among the economic sectors. The optimal quantities are selected by using mathematical models and making analyses by means of electronic computers. In that sphere, the plan organs have failed to pay adequate

attention to creating a balanced intersectoral system, so there has arisen the situation of the dispersal of investment capital, which has increased imbalances and reduced the utilization ratio of the existing production capacity. In this regard it must be remembered that the Fourth Party Congress determined the mission of creating intersectoral balances (Congress Documents, v. 1, p 22, Su That Publishing House, 1982).

--With regard to individual economic-technical sectors, due to failure to truly and effectively carry out their sector management function the situation of dispersed, duplicated investment has occurred. A beginning was made toward overcoming that situation by Resolution 166-HDBT regarding the improvement of capital construction management (Part II--Improving Capital Construction Planning--Chapter I). The problem that is posed now is to ensure that the sector management cadres carry out that resolution.

--With regard to drafting construction plans there is also the matter of selecting the most effective modes and ensuring balance between needs and investment capital capabilities. In this regard it is necessary to pay more adequate attention to the relationships between modern technology and primitive technology, between the state sector and the collective and family sectors, and between the central and local echelons. In actuality, due to failure to implement unified management by economic-technical sectors or satisfactorily resolve the relationship regarding economic benefits, the investment and to satisfactorily resolve the relationship regarding benefits, the investment plans that have been approved have not always brought about the desired economic effects.

3. In the sphere of distribution for life there are also some matters that must receive attention:

--The present difficulties of people who are salary earners, i.e. the working class itself. In this regard it is necessary to pay fuller and more profound attention to the mission of "saving workers," which was set forth by V. I. Lenin ("Collected Works," Progress Publishing House, Moscow, Vietnamese language edition, Vol. 38 p 430; Vol. 44, pp 12, 129, and 201).

--The organization of living conditions is a basis on which to draft plans for consumer distribution. That was stated in the Resolution of the Fourth Party Congress (Su That Publishing House, pp 43, 47, and 48). However, today the study and creation of models of socialist life have not received adequate attention. This matter becomes even more serious and urgent under the circumstances of the development of the flow of information in the world, the struggle between the two paths even in the sphere of material and spiritual life, etc.

--Although salaries and bonuses have been studied to a great extent it is still necessary to pay more attention to the relationship between salaries and the organization of life (as stated above) and between nominal and real wages. If one only concentrates attention on nominal wages, all improvements will be eliminated in actual life to one degree or another. That matter is also related to the management of market circulation, which will be dealt with later.

Furthermore, when examining the problem of salaries and bonuses, it cannot be separated from providing social welfare. Here it is necessary to pay attention to the salaries of workers fulfilling missions in the sphere of social welfare (such as salaries in the education, public health, and other sectors). They're not people who directly produce material wealth but participate in the process of the expanded socialist reproduction of the workers themselves. Therefore it is necessary to pay more adequate attention to the distribution relationship between workers, including the relationship between people who directly produce material wealth and people who participate in the process of reproduction of labor and man.

## II. Circulation

As discussed above, circulation comes after distribution and has the mission of implementing the distribution plans. Of course, in the circulation process there will be discovered shortcomings and irrationalities with regard to distribution, which will exert a reverse effect and result in the adjustment of distribution plans.

The circulation of material wealth (goods) is carried out by the home trade, foreign trade, and materials sectors, the network of electric power bureaus (customarily called electricity distribution bureaus although they do not perform a distribution function)... As regards monetary circulation, there is a network of banking organs.

Due to those characteristics, the circulation work is tied in with the market and in fact there is a consumer goods market, a materials market, and a money market. When viewed from the point of view of producers, in the sphere of circulation there are a number of problems requiring attention:

1. The development of production has led to a third distribution of social labor and the separation of circulation from the production sector in order to form the commercial sector and the merchant class. Although merchants do not participate in production but exercise leadership of production and force producers to be economically dependent on them. As indispensable middlemen between two producers, merchants exploit both sides (F. Engles, "The Roots of the Family and the Private Ownership System," Chapter IX). In "Capital," Vol. 3, Part 1, Chapter XX, Karl Marx affirmed that the active role of producers who become merchants in comparison to merchants who directly control production. In that situation, in order to guard against those negative phenomena the Party has affirmed that production must be made the root and all commercial sectors must fully understand the viewpoint of serving production. However, in our actual situation at present it is still necessary to pay fuller attention to the observations and conclusions of K. Marx and F. Engles.

2. In the circulation of materials (including energy and spare parts) it is necessary to pay attention to a number of aspects:

--Producers can organize the production process with economic effectiveness only if they are promptly provided ample production means (with regard to

quantity, types, and quality). In actuality, the materials supply circulation organs have not done so. The resolution of the recent Sixth Plenum of the Party Central Committee affirmed the necessity of affirming the necessity of meeting those requirements of producers. A remaining problem at present is that the materials supply circulation organs must have an efficient and effective means of meeting those requirements. The changing over from the old way of doing business to the new commercial mode is a fierce struggle which demands close and resolute guidance by the party organizations.

--With regard to the organization of the materials circulation organs (those concerned with supplying materials), in order to ensure the effective fulfillment of that function those organs must supply the materials directly to the consumers and not through indirect intermediaries. As regards materials managed and distributed by the state (including both ordinary and specialized materials), the organs responsible for their organization (the Ministry of Materials and the ministries supplying specialized materials) have not fully met the need for them. Under those circumstances there has appeared the phenomenon of the ministries and localities setting up their own materials supply organs to circulate such materials. That has given rise to the situation of many intermediaries appearing between the materials warehouses of the state materials organs and the consumers of those organs. That situation has caused the circulation of materials to slow down and circulation expenses to increase, and has created openings for negative phenomena to arise and develop.

--In the process of circulating materials, in addition to circulation in accordance with distribution plans there has appeared the phenomenon of circulation not being in accord with distribution plans. The organs of the socialist economic component and individuals participating in the second circulation process form a free market. That free market has developed to a worrisome degree and has exerted a reciprocal influence on the circulation market based on distribution plans and caused chaos in production. A matter worthy of attention is that those organs are based on vague points of some state documents intended to legalize circulation outside the plans (such as decrees 25-CP, 146-HDBT, and 156-HBDT regarding the use of some products to exchange for materials necessary for production). At the same time it is necessary to pay attention to the phenomenon of materials slipping from the sphere of state management and falling into the hands of private individuals. They return such materials to production by many different means. It must be pointed out that in some instances they use such materials in the production bases of the socialist economic component to do contracted-out work, and they have the right to own and distribute what they produce. That situation has weakened the socialist ownership of the means of production. Also for that reason it may be said that the class struggle between the two paths is taking place fiercely in that sphere. That matter was also dealt with in the recent resolution of the Sixth Plenum of the Party Central Committee. The problem that remains is to organize the implementation of that resolution. In the process of implementing that resolution it is necessary to pay more attention to opposing the spontaneous development of merchants (including speculators and blackmarketers) and of the class and national enemies who are organizing the implementation of a many-sided war of destruction, including sabotage of distribution for production by causing chaos in the circulation of materials.

3. Circulation for life (the circulation of means of consumption) is primarily the responsibility of the home trade sector. Here it is also necessary to point out that under the present conditions of our nation the home trade sector is also responsible for circulating the means of production, primarily by means of commercial contracting out and supplying the collective economic sector. In this sphere, we feel that it is necessary to bring attention to a number of key points:

--Although there have been many specialized resolutions regarding home trade, in fact socialist commerce has not always dominated the market and considerable quantities of goods of the socialist economic component have been leaked to the free market. There are many reasons for that situation, but we believe that it is necessary to bring attention to the following reasons. First, the industrial installations have taken advantage of loopholes in the management structure to award in-kind bonuses to workers and officials, which has led to the formation of "small open-air markets" in front of enterprise gates after award and plan recapitulation periods. Is there a way to transfer those in-kind goods to commerce but still ensure the economic interests of the workers? Second, in actuality the cooperative members by means of their private plots and product contracting control a certain quantity of agricultural products. Is there a way for socialist commerce to control those goods but still ensure the economic interests of the peasants? Because of failure to control those goods, the free market is continually supplemented by goods obtained from the results of production by the socialist economic component. At times there have been opinions that approve of selling to workers goods that they produce, but it is compulsory that they be sold directly to the people with consumption needs. That method of direct selling is tied in with the small commodity economy and with tiny markets such as those in rural areas prior to the August Revolution, so in fact it is not possible to do so. Thus the private merchants still have room to operate.

--The marketing cooperatives are a component of socialist commerce but in fact adequate attention has not been paid to leading them. Therefore, to a certain degree the marketing cooperatives have become "agents" of state commerce. The subward marketing cooperatives, which have been formed only in recently years, to a certain degree of competing with state commerce in purchasing. Under those circumstances there has arisen the problem of organizing a cooperative division of labor relationship between state commerce and cooperative commerce, in order to control and solidly expand the socialist market.

--With its function as a contracting organ, state commerce also participates in the process of organizing industrial production. In that regard we feel that it is necessary to pay attention to the observations and conclusions of K. Marx, as presented above. There have been a number of party resolutions on commercial contracting but we believe that the problem has not been well resolved. A number of contracting organs have been changed over to production management sectors but the method of resolving the relationship between those organs and the contractees has not been changed, so the problems that have arisen have not been fully overcome. Here it is necessary to add that the contracting organs, which have in fact become intermediaries in the circulation of materials, as discussed above, must also improve the supplying

of materials to contracting units in order to limit the weaknesses and problems that arise in this sphere.

4. With regard to a number of other sectors which participate in the circulation process (the foreign trade and banking sectors), we believe that it is necessary to pay attention to the following principal points:

--Allowing large production bases (which manage economic-technical sectors) to participate in export-import activities is a policy that is appropriate to the present tendency in the socialist countries. However, under those circumstances the activities of the Ministry of Foreign Trade must be more satisfactorily concentrated on its sector management sector. It must be realized that the matter of management according to economic-technical sector, which was brought forth in the first part of the 1970's, has not yet been strictly and effectively implemented with regard to all economic-technical sectors (with management by localities, local governmental administration, and territorial unit). That is a sphere of work about which we must promptly gain experience in order to make progress so that we can overcome the present weaknesses and bring into play the superiority of socialism in organizing management (and planning) on the scope of the entire national economy.

--The communications sector is a sector which greatly effects the development of production. That matter was dealt with in the "Manifesto of the Communist Party" and in "Capital," Vol. 1, Book 2, Chapter XIII, parts 2 and 7. With regard to the existing investment capital, we recommend that calculations be made and that a comparison of effectiveness be made between the method of concentrating capital on upgrading roads and the concentration of capital on increasing transportation facilities.

--In the sphere of prices we believe that it is necessary to bring attention to the following matters. First, in the present historical phase prices tend to increase because of the struggle for a new world economic order and because of the requirement of increasing expenditures to develop natural resources (in places that are more difficult to develop because of the need to protect the environment). Thus it is necessary to do more thinking about applying the law of increasingly greater labor productivity and increasingly lower prices. Second, even under the conditions of a socialist economy it is necessary to do more thinking about the capitalist law of increasingly lower average profits, but the scale of production must not for that reason be reduced or total profits diminished. Third, when speaking of the law of value, it is necessary to bring prices up to the level of value and not separate them from value, but perhaps we should not fail to mention the present phenomenon in the developed capitalist countries of the capitalist class, by means of their governments, continuing to implement a policy of price supports for agriculture.

### III. The Production Sphere

In the part above we analyzed distribution and circulation from the point of view of producers in order to fully understand the viewpoint of serving production. However, we must not limit ourselves to that viewpoint but

realize the responsibility of producers toward ensuring high economic effectiveness in the process of utilizing the factors of the production process which have been assigned to us. In this regard, we would like to concentrate our analysis on the following principal points.

1. The use of materials and energy. In this regard the greatest deficiency is the wasteful use of those factors, which is manifested in the most concentrated manner is increasingly great quantities of materials and energy are required to produce a unit of production. There are some reasons related to distribution and circulation which we will not mention here. Here we are mainly concerned with reasons regarding production managers:

--The responsibility of production managers in assigning production missions to the production units in the sector (in the sphere of organizing production). There exists the phenomenon of failure to pay adequate attention to ensuring the effectiveness of production by developing the strong points of bases and people still receiving production missions although they consume higher than normal levels of materials and fuel (and therefore receive materials and fuel corresponding to their missions). The deficiencies in this sphere must be overcome beginning with the process of drafting production plans by each basic-level production unit and the upper-echelon management organ.

--The responsibility of the basic production units toward managing materials-fuel depots and depots which sell semi-finished and finished products. There exists the phenomenon of materials, fuel, semi-finished products and finished products deteriorating in quality (which results in a decline in quantity) because the quality of storage facilities do not meet the stipulated standards. That is not to mention the factor of sabotage by bad elements and the enemy. In addition, there is the phenomenon of numerical losses caused by corruption and thievery. All losses during storage in the warehouse systems of the producers are included in the materials-fuel consumption norms. That deficiency is above all the responsibility of the heads of basic-level production units. It is also a responsibility of the upper-echelon organs in the sphere of inspection, supervision, and study in ensuring the implementation of the responsibility system toward violations which cause the loss of socialist property.

--Responsibility in the process of managing the production of products is manifested in losses in the forms of secondary products and waste products. The principal reasons in the technical management sphere, such as failure to meet industrial standards, the decline in the quality of machinery, and a lack of responsibility and discipline. Losses in this sphere are also included in the materials-fuel consumption norms. Here we must mention the responsibility of the system of technical management organs, from the cadres in the technical offices in the basic production units to the technical research institutes directly under the management organs at all levels. In this sphere more attention must be paid to improving production technology (accompanied by improvement of the corresponding machinery system) in order to carry out basic changes in reducing the level of materials-fuel use. At the same time, more attention must be paid to rewarding the economical use of materials in the process of applying the form of paying salaries based on output.

--Responsibility in the management of product quality. Losses in this sphere are manifested primarily in the reduction of the durability of goods, which causes increased consumer needs and increases the quantity of materials needed to fulfill certain consumer goods (for example, the production of poor-quality goods, which was reflected in many publications in 1981). In addition to those losses it is also necessary to realize the economic-political-social losses caused by sending to domestic and foreign markets poor-quality finished products and goods. Responsibility in that sphere belongs to the system of quality control. Some of the reasons for the deficiencies in product quality control, some are in the sphere of that system's organization. In practice, the product quality control cadres in the basic production units are dependent on the unit heads organizationally (with regard to political and economic authority, etc.), so they do not have the necessary objective conditions to fulfill their duty. In that regard, in addition to studying organizational changes the production bases must be allowed to reward quality control cadres if the ratio of poor-quality goods declines and the quality of goods improves. At the same time, in the bases (and upper-echelon systems) must more closely coordinate the technical management and quality control systems in order to improve product quality.

2. In using labor means (essentially machinery and equipment). The greatest deficiency is manifested primarily in the low rate of capacity utilization, which has reduced the effectiveness of investment capital. Here, in addition to reasons related to construction, the supplying of spare parts, etc., there are reasons related to the sphere of responsibility of the production managers. They are:

--First of all, the responsibility of production managers is manifested in the process of drafting and approving capital construction capital investment plans. This matter was dealt with in the part on distribution.

--Because of the characteristics of the level of production mechanization there has occurred the phenomenon of the production lines of basic units not being as balanced as those with automated production. Therefore, the surplus or shortage of production capacity in certain segments of the main and secondary production lines is an inevitable phenomenon. The production managers must take steps to overcome such problems in order to raise the capacity utilization level of the existing labor means system of the production bases. The direction for resolving those problems is to organize production cooperation among the basic production units within and without the sector. The organization of secondary production is also an effective direction, provided that it is tied in with raising the level of specialization and production cooperation. However, for many different reasons our level of cooperation in production is still low. Meanwhile, there has appeared the phenomenon of the basic units, sectors, and localities developing the tendency to want to encompass the entire production process in the scope of their activities, which has tended to lower the utilization level of the capacity of equipment and machinery. The direction for overcoming that phenomenon lies within the process of production-commercial planning and the implementation of the principle of combining management by sector with management by locality and territorial area. Here it is necessary to pay more adequate attention to the responsibility of the upper-echelon management

organs in planning the production cooperation mission and in approving the production-technical-financial plans of the basic units (including plans to provide additional equipments and organize secondary production).

3. In the management and use of labor, the most important factor of the production forces. A widespread phenomenon at present is that labor productivity is low and the social labor forces have not been fully utilized. In this sphere, we believe that it is necessary to pay attention to the following matters:

--Due to the characteristics of the socialization of labor, production workers have been transformed from independent workers in a small-scale production economy into workers who are responsible for one aspect of the production of a product. Under those circumstances it is necessary to pay adequate attention to determining the most effective labor structure. In that structure the central figure is the principal production worker. All other workers must be deployed so that they can assume full responsibility for all other aspects of the production, so that the principal workers can use all of their labor time to affect the object of labor and produce products. In the actual situation at present, the production managers do not always pay adequate attention to or have adequate awareness of building that rational structure, which is manifested in the fact that the principal production workers must wait for raw materials, work, and the selling of completed products. The direction for overcoming that deficiency is to have more adequate attention to organizing labor, especially with regard to the labor structure (including workers who engage directly in production and the civil servants who are responsible for the other aspects of production and make up the component called indirect labor).

--The matter of labor productivity must also receive attention, and attention must be paid to teaching consciousness of discipline to the workers. There are many instances of highly skilled workers disrupting the production line because of failure to maintain labor discipline. Furthermore, with regard to indirect labor there are instances of failure to pay adequate attention to bolstering knowledge of management in general and economic management specifically, especially with regard to leadership cadres who are directly responsible for production management at all levels. That deficiency has begun to be overcome in recent years with the opening of economic management and administrative management schools to provide advanced training to high-level and mid-level cadres. However, in this sphere we do not yet have profound consciousness in order to take steps to overcome the phenomenon of the erosion of knowledge, which leads to the peril of working methods of the empirical variety having room to exist and develop. The direction of overcoming that phenomenon is to organize rotational short-term training, which is beginning to be carried out in the form of post-college training and supplementation.

#### IV. Conclusion

Many remaining deficiencies in organizing management of all aspects of the production-distribution-circulation process have impeded the development of production with high economic effectiveness, but it must be realized that there is still great latent capabilities to overcome those remaining deficiencies, which will enable us "with sources of materials that are not larger, but even smaller, with production capacities that essentially have not increased, and with the existing labor" to develop production at a higher rate and with higher economic effectiveness than in the past. The problem that is posed is to find the reasons for that phenomenon. In this regard, in our opinion it is necessary to be more profoundly aware of the evaluations of the fourth and fifth congresses of our Party. Even though there are a number of material-technical bases of large-scale socialist production, the deep-seated cause of the deficiencies and difficulties lies in the fact that our country's economy is still prevalently largely small-scale production ("Documents of the Fifth Party Congress." Su That Publishing House, 1982, p 88). The question that is posed is how "small-scale production" is being manifested in our country. A small-scale-production economy cannot have a communications-transportation system like that in our country at present. Nor can it have commercial, factory, banking, and other systems such as we now have. Even less can it have a socialist economic system in which the state exercises the function of a proletarian dictatorship. So what is the "small production" factor?

We believe that the small production factor lies in our style of work, management, etc., which is still heavily small-scale-production in nature. Stopping a train en route must be made an article of criminal law, and failure to ensure a stable supply of electricity (failure to respect and carry out the electricity distribution schedule), failure of banks to ensure the internal capital of the basic units with bank accounts, etc, are some of the myriad manifestations of small-scale production which are penetrating our production management and economic-social management. In the final analysis that is a matter of training and educating laborers and our workers and civil servants who have not correctly carried out the line on the ideological-cultural revolution adopted by the Third Party Congress. For that reason, the material-technical factors of large-scale socialist production have been used by our workers in the manner of small-scale producers. That deficiency was dealt with in a relatively concentrated manner and in different forms in two works by comrade Le Duan: "Under the Glorious Flag of the Party..." and "Some Problems Regarding Cadres and Organization in the Socialist Revolution."

From the above analysis we can reach the conclusion that in order to develop our existing potential the key matter is to concentrate on two principal spheres:

--In training cadres, workers, and civil servants in order to have a corps of workers that is complete with regard to sectors, trades, ability, etc., adequate attention must be paid to determining a rational labor structure that is appropriate to our present economic-social characteristics. At the same time it is necessary to organize appropriate study in order to equip each type of cadre and official with the necessary knowledge. In this regard, we have

carried out a number of tasks and have a number of stands and policies, so the problem that is posed is to complete the tasks that must be carried out to have the necessary completeness, while adjusting things deemed inappropriate.

--The development of the existing corps of cadres, workers, and officials. In this sphere there are problems in organizing a division of labor and cooperation among management workers and scientific research labor in this sphere, and we have difficulties similar to those in the sphere of organizing production. Furthermore, it is necessary to clarify (in order to do a better job of organizing) the relationship between the people in charge and the staff cadres fulfilling management missions and combined functions, and those who serve as secretaries to assist the heads. That problem also lies within the framework of improving the process of making decisions to improve the quality of decisions, as pointed out at the Fourth Party Congress.

5616

CSO: 4209/458

ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN ON TRANSFORMATION OF PRIVATE TRADE

BK190903 Hanoi Domestic Service in Vietnamese 2300 GMT 17 Jun 85

[NHAN DAN 18 June editorial: "Step Up the Transformation of Private Trade"]

[Text] Recently, along with strengthening their forces, changing the management mechanism, and striving to eliminate bureaucratism and subsidization from socialist trade, many localities have stepped up the transformation of private trade in the direction of combining the transformation of various commodity sectors with the development of these sectors. Some important commodity sectors have been rearranged or reorganized in terms of work ranging from production to distribution and circulation. Certain localities have even combined the development and transformation of various commodity sectors with the development and transformation of trade in all places, especially at various commercial centers and markets.

From a number of grain, food product, and service sectors, the transformation of private trade has now been expanded to other sectors that deal in such industrial and consumer goods as cloth, ready-made garments, writing paper, bicycles, bicycle spare parts, electricity appliances, cigarettes, and liquor.

Hanoi, Haiphong, Danang, Can Tho, and Ho Chi Minh cities have boldly carried out the transformation of private trade under various transitional economic forms such as organizing business cooperation between the state and large and medium trader households, using businessmen with special skills to work for the socialist trade sector as contractors or agents, admitting a number of traders who have executed various policies satisfactorily to marketing cooperatives in city wards and villages, and arranging for merchants to join various commodity units and sectors along with transferring a number of them to certain production, processing, and service sectors.

By initially applying these transitional forms, the state has gradually been able to make use of capital, labor, and commercial establishments and facilities; establish direct management; control goods, money, and prices; and restrict many negative activities of private trade. In the social market, a number of bourgeois traders and a sizable portion of private wholesale have been eliminated and a large number of private traders have been arranged to conduct business activities under the guidance and control of socialist trade. Socialist trade has claimed an ever-increasing portion of retail sales.

These developments are of very great significance. They testify to the correctness of the party's line, viewpoints, and policies on the transformation of private industry and trade and create favorable conditions for developing production and for socialist trade to control the market and resolutely shift from the bureaucratic system of subsidization to socialist business accounting. However, these initial developments are uneven and unsteady. In some commodity sectors and in certain places, including key ones, not a few private traders still continue their wholesale business, thus influencing the retail market. Private traders are now grabbing at noncommercial goods produced by the small industry and handicrafts sectors outside the control of socialist trade ostensibly for self-consumption, thereby causing disturbances on the market. In some commodity sectors, although socialist trade has made intensive efforts to control wholesale and retail activities, it has yet to claim superiority over private trade, especially regarding the variety of goods, business practices, and customer service. Many items of goods and supplies under the state's monopolistic trade and unified management are being resold on the market. Resolute efforts have not been made to prevent speculation, smuggling, theft of state supplies, and the manufacturing of counterfeit goods. Regarding guidance and control, some localities have failed to carefully carry out a basic investigation of the situation in each area and, especially, to prepare the force of cadres satisfactorily in both quantity and quality in order to carry out the transformation of private industry and trade. In the process of construction and transformation, many good models have emerged, but these have multiplied only at a slow rate. These are the shortcomings and weaknesses that limit the success of the transformation of private trade.

At present, our urgent duty is to stabilize the livelihood of the laboring people in general, especially workers, civil servants, and armed forces members. We should concentrate the source of commodities into state hands and stabilize the situation of distribution and circulation, prices, and the market. We must control, occupy, and master the market, including the free market. We should limit the negative aspect of the free market while simultaneously using its positive aspect to regularize distribution and circulation and supply and demand, thus helping ensure the normal life of the society and laboring people.

In order to control and transform the free market, we must know how to use it and not subjectively reject it. We must certainly accelerate the socialist transformation of the free market and gradually reduce its area of operation not merely through simple administration measures but through correctly combining economic, educational, administrative, legal, and organizational measures, of which the economic measures are the most vital.

We must accelerate the transformation of private trade, primarily in each sector of commodities, in order to rapidly eliminate capitalist business that has generated owners of depots and granaries, private wholesalers, and wheeler-dealers. However, we must give these people proper profits so they can cooperate with the state in doing business and we make full use of their capital, skills, and facilities to develop business and support the people's livelihood.

With respect to private traders, we must use such appropriate forms as joint businesses, commissioning purchases, and sales, in order to transform and use them. Regarding small merchants in the same trade, we should reorganize, transform, and use them in such jobs as retail sales, processing work, and purchasing and procurement activities in the course of expanding the business of state-run trade and marketing cooperatives. Moreover, we must seek jobs for these people by expanding and developing the sectors of production, processing, service, export commodities, and family-based economies.

As the organized market is gradually advancing, we must immediately reduce the free market in a steady, resolute, and continuous manner. Anyone authorized to run a private trade must be registered, the prices of his commodities must be listed, and he must pay taxes. His business must be organized by sectors of commodities and be placed under the managerial control and guidance of the state.

We must satisfactorily monopolize business for the state and prohibit private traders from dealing in grain, strategic materials, and other staple commodities. Everywhere, we should combine the struggle against speculation and smuggling with the struggle against enemy sabotage and the struggle against the enemy's accomplices, who are the bad, deviant, and degenerate cadres and workers in various state agencies and factories.

The state-run trade and marketing cooperatives must be present and operating well in various markets, especially those in cities, towns, and industrial complexes, and must vigorously surge forward to completely control whole and retail sales. Only by comprehensively and vigorously developing socialist trade can we satisfactorily fulfill the socialist transformation of private trade and manage the market. Moreover, if we do not accelerate the transformation of private trade, we can hardly develop socialist trade. Consequently, in transforming private capitalist trade and industry, we must firmly grasp the guideline of linking construction closely to transformation, employment, and management.

We should now rapidly expand and renovate the management system and the operations of state-run trade and marketing cooperatives; eliminate red tape and subsidization ills; completely shift to socialist accounting and business; and intensify market management. At the same time, we must properly punish speculators, smugglers, and rumormongers who are disrupting the market. Under the party leadership and the managerial control by the administration at all levels and through developing the laboring people's collective mastery, the transformation of private trade will certainly succeed and help stabilize the socioeconomic situation in our country.

CSO: 4209/465

AGRICULTURE

VNA ON AGRICULTURAL COLLECTIVIZATION IN SOUTH

OW191906 Hanoi VNA in English 1515 GMT 19 Jun 85

[Text] Hanoi, VNA, 19 June--Up to April this year, 33,000 production collectives and 540 agricultural cooperatives had been set up in the provinces south of Thuan Hai Province. They involve 75 percent of the peasant households and 70 percent of the cultivated land.

The production collectives and agricultural cooperatives were set up chiefly in the rice and other food crop areas while the "solidarity teams"--a lower form--were founded in areas which traditionally grow industrial plants, fruit trees or rear fish and shrimps.

In less fertile areas subjected to seasonal floods where only the "floating rice" is grown like Long An, Dong Thap and An Giang provinces or sparsely populated areas in Kien Giang and Minh Hai provinces, part of the workforce of the production collectives in more densely populated areas could go there to reclaim lands and work the fields or build the necessary national bases for future resettlement programs.

To make a better use of the workforce and production means, a number of localities have formed unions of production collectives or joint ventures among these collectives. The union of collectives is a preparatory step to build large-scale cooperatives. It is mostly seen in Dong Thap, An Giang and Hau Giang provinces, while joint agricultural ventures among the production collectives are mostly in Den Tre and Dong Thap provinces. They cooperate in processing farm produce, manufacturing handicraft articles, seafoods and building materials or in building the technical bases such as irrigation works and reshaping the fields and or in building cultural and community welfare facilities.

The villages have also expanded the marketing and credit cooperatives which now number 2,000 and 1,300 respectively.

Almost all the production collectives have got higher rice yields compared with the past. The application of the contract quota system has drawn more and more private farmers, especially middle peasants, into collective production.

CSO: 4200/1112

AGRICULTURE

BRIEFS

FORESTRY YEAR COMMITTEE MEETS--Hanoi, VNA, 19 June--The Vietnam Committee for the International Year of Forestry-1985 met here today under the chairmanship of its President Phan Xuan Dot, minister of forestry, to discuss measures for the preservation and development of forest resources and work out its program of actions. The committee agreed on the necessity to make people clearly understand the possible grave consequences caused by deforestation as well as the direct impact of forest on the production and life in each locality and the country as a whole. It also set the tasks for various economic branches and services to participate in the movement for forest protection and afforestation as common effort in response to this international drive. [Text]  
[Hanoi VNA in English 1527 GMT 19 Jun 85 OW]

AN GIANG GRAIN OBLIGATION--As of 5 June, An Giang Province had procured 191,144 metric tons of 10th-month and winter-spring rice, or 98 percent of the set plan norms. Various production collectives and agricultural cooperatives have paid their agricultural taxes in the form of grain. They recently delivered 34,446 metric tons of paddy to state granaries. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 18 Jun 85 BK]

CSO: 4209/465

11 July 1985

## SHIPPING FACILITATED, ECONOMY DEVELOPED BY REBUILT CANAL

Hanoi NHAN DAN in Vietnamese 26 Apr 85 p 3

[Article by Vu Hieu: "At the Cai Trap Canal Transformation Site"]

[Text] The water current of the Cai Trap canal--a large one in Cat Ba Island (Haiphong)--is being diverted and transformed. As planned, the canal will be 4,250 meters long, 260 meters wide and 9 meters deep. Alongside the canal, there will be a dike with a bottom width of 26 meters, a top width of 5 meters and a height of 5 meters. The volume of earth to be dug out and piled up will be nearly 500,000 cubic meters and the initially envisaged capital investment will come to 300 million dong. In the near future, the canal will enable domestic and foreign ships and boats to enter and leave the Haiphong Port without passing through the Nam Trieu estuary, thus shortening the trip by 19 kms and resulting in a yearly saving of thousands of tons of oil and hundreds of millions of dong of expenditures of other sorts. The existence of this canal will also create a new land with an area of hundreds of hectares suitable for farming and shrimp breeding. It will be possible to exploit a network of irrigation canals and to set up a network of international service and tourism. Once transformed, the Cai Trap canal will not only create a great source of economic profit but will also further strengthen the battle position of the people's war to defend the island and the port city.

The Haiphong Municipal Military Command was the first unit to come to Cai Trap to assume the construction of this project in a region exposed to strong winds and waves. Over the past 10 years, the Haiphong armed forces have really acted as a backbone and staff for party committees at various echelons and for the administration concerning the local military task, the coordination of economy with national defense and the building of a battle position on the district scale. Based on experiences in building sea dikes in Vinh Quang (Tien Lang), along Route 14 (Do Son) and in other areas and in order to achieve high effectiveness right on the first day of implementing the Cai Trap canal transformation project and to avoid boastfulness and formalism, the municipal command spent much time making preparations. To provide enough tools to thousands of laborers, the command drew 1.5 million dong from its capital fund to buy and build 300 wooden boats (with an earth loading capacity of about 3.3 cubic meters each) and to buy thousands of spades, hauling equipment and slipping gangplanks. An additional expense of millions of dong would be incurred solely in using ships to carry fresh water and green vegetables every

day from the city to the worksite. To avoid this expenditure, the worksite command secured the Cat Ba people's aid by carrying out propaganda to make the local people clearly understand the objective of the work of troops and militiamen. On realizing that they would be the first to benefit from the Cai Trap canal transformation, people in Dai Nghia, Hoang Chau, Van Phong, Hoa Quang and Dong Bai Villages provided houses, wells and their rain water reserves for the units coming to this region for construction purposes.

Other participants in the work at the construction site were troops from Groups B29, B50 and M04, from units S03 and 91, and militiamen from Tien Lang, Do Son, Kien An and Cat Ba Districts. Before bringing their troops to the worksite, leaders of these units were invited to visit the Cai Trap canal. After calculating the labor force to be used in proportion to the quantity of tools and equipment to be supplied and taking into account the construction locality, the housing and eating places and the duration, volume and quality of the work to be done, these unit commanders voluntarily signed a contract with the worksite command. The contract provisions stipulated: cash amounting to 30 percent of the total expenditure would be set aside to reward laborers in collective units which possessed a bank account and which had fulfilled the conditions laid down in the signed contract (for deadline, earth excavation and piling volume and quality, and the number of tools supplied before starting work and remaining after completion); units yielding a high output would be allowed to buy additional rice, sugar, monosodium glutamate, hand towels and soap at agreed prices (the total volume of excavated and piled-up earth--not the per-capita output--would be taken into consideration); and units bent on performing a large volume of work without caring for its quality would be compelled to redo the job and the time spent on it would not be taken into consideration.

Group B29 constantly had a large work force at its disposal and was thus ready to assume difficult tasks. Based on the signed contract, the group contractually assigned the volume of work to its various units. Each unit in turn contractually entrusted a certain number of tools and a certain volume of earth excavation and embankment to each team at each production site and offered rewards and imposed penalties on a daily basis; as a result, the entire group's output was frequently twice as large as the fixed norm. To keep the working troops in good health, the worksite command took the volume of excavated and piled-up earth into consideration and sold an additional half-kilogram of rice and more monosodium glutamate to each soldier everyday and also sold him more sugar and some other consumer goods at supply prices.

Militiamen from Tien Lang District did not want to be excelled by the main force units. The district party and people's committees appointed capable and enthusiastic persons to command the militia force working at the construction site and promptly improved the material conditions of highly productive units. The district also provided working tools to the worksite. By organizing the labor force into village militia units and by assigning a volume of work to them and supplying them with cash, rice and some staple commodities, Tien Lang District was able to achieve an excavation and embankment volume equal to 150 to 200 percent of the fixed norm. Because the deadline was observed and the construction quality ensured, each militiaman from Tien Lang District received a reward of 300 to 500 dong.

In addition to the army units and district militiamen working at the Cai Trap canal transformation site, the Municipal Military Command also mobilized a labor force from the people. This force was composed of professional land diggers and played an important role in digging earth to build sea dikes. Nearly 200 land diggers were organized into 24 support units working in military formations. According to the contract signed with the worksite, each cubic meter of excavated and heaped-up earth was paid 145 to 168 dong and entitled the digger to buy 0.7 kg of rice at the agreed price.

Because of the strict execution of the contract and because of a satisfactory payment of wages, the land diggers and the local armed forces and laborers have achieved a high output, strictly adhered to the deadline and ensure good construction quality.

In working to build the economy, the Haiphong armed forces have thus devised a suitable working method and guaranteed the interests of both army men and laborers. By working effectively, the Haiphong armed forces have not only contributed to the overall development of local economy but also created conditions to improve the cadres' and combatants' standard of living and satisfactorily to meet requirements of the army rear service.

Advancing toward the sea to help enrich their homeland and build a battle position to defend it, the armed forces of Haiphong are concentrating efforts to excavate and heap up earth to divert the water current of the Cai Trap canal. They and the city people have been materializing the economic and technical theories set forth over 20 years ago in a resolution of the Haiphong Municipal Party Committee and are scoring achievements to celebrate the 10th anniversary of the complete victory of the anti-U.S. resistance (30 April) and the 30th anniversary of the city's liberation.

The transformation of the Cai Trap canal not only fills the port city people's hearts with enthusiasm but also delights our friends in other countries. Many foreign delegations have come to greet the success of the municipal party and people's committees and to express admiration for our fighters who, after defeating aggressive forces, are now working effectively to enrich their native country.

9332

CSO: 4209/419

HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

LANG CAM COAL MINE--After 2 years of preparing the surface and installing equipment, on the morning of 19 May 1985, the Ministry of Mines and coal held a ceremony to mark the beginning of construction on the Lang Cam coal mine in Bac Thai Province. Attending the ceremony were representatives of the Ministry of Mines and Coal and the Bac Thai Provincial People's Committee. From the Soviet Union, there were representatives from the embassy, the Ministry of Coal Industry and the Foreign Coal General Corporation, which is subordinate to the Ministry of Coal Industry, and Soviet specialists. VNA [Text] [Hanoi NHAN DAN in Vietnamese 20 May 85 p 1] 11943

CSO: 4209/455

LABOR

SURVEY FINDS MACHINE STATIONS FAIL TO IMPLEMENT POLICIES

Hanoi LAO DONG in Vietnamese 23 May 85 pp 1, 4

[Article by Le Van Cuong: "Survey Finds That the Implementation of the Procedures and Policies For Tractor Operators Has Been Poor, Procedures and Policies Have Not Reached the Production Installations and Erroneous Calculations Have Reduced the Incomes of the Workers"]

[Text] At present, there are about 300 district-level agricultural machine stations (previously, these were called tractor stations) with approximately 20,000 tractors of various sizes and more than 20,000 tractor operators. The main task of these stations is to do tilling for agricultural cooperatives.

When speaking about the lives of the tractor drivers, people often remember a phrase that has become well known: "black buffaloes eat grass, red buffaloes eat chicken." However, some people are more objective and cautious. They say that "regardless, people are experiencing difficulties because their wages are low and because many of the procedures and policies have not been implemented fully."

Recently, in cooperation with the Labor and Wage Department and the Technical Equipment General Department, Ministry of Agriculture, the Vietnam Agricultural Trade Union checked the implementation of the procedures and policies for workers in this sector. We have followed this and will report the main results.

Erroneous Calculations

More than 10 provinces and almost 30 agricultural machine stations surveyed by the team had applied the product contract wage system. Based on general stipulations, these places are to receive a contract and product wage incentive equal to 26 percent of the work-grade wages. In many places, the use of this percentage is not unified. In Thai Binh, the Vu Thu and Kien Xuong stations calculated only 10 percent. The Hung Ha and Quynh Phu stations calculated 20 percent.

The team gave Thanh Hoa a "good" rating for the use of the procedures and policies. But even so, one station calculated only 3.7 percent, and two other stations used only 10 percent.

Implementing Council of Ministers Directive 51 of 11 March 1982, that year, the Ministry of Agriculture issued a circular giving the agricultural machine stations that use the product contract wage system permission to calculate an additional 25 percent as an incentive for indirect cadres. But 95 percent of the stations checked by the team had not done this.

Based on the spirit of the above directive, workers in the agricultural machine sector are to receive a 25-percent cash bonus from the wage fund. Almost all of the stations had applied this procedure, but they had calculated things incorrectly. Instead of calculating 25 percent of total wages, the units calculated 25 percent of basic wages. Because of making this error, the tractor unit at the Thanh To State Farm in Haiphong reduced the cash bonuses in the wage fund by 97,000 dong every year.

In Hanoi, the Ba Vi station calculated only 20 percent of the basic wage fund. Because of this, the workers lost bonuses amounting to 24,000 dong a year. Most of the stations made similar mistakes. Thus, preliminary calculations at 25 stations inspected by the team show that bonus funds were reduced by 2 million dong.

There is one more error that needs to be mentioned. When calculating product wage units, the marker used must be the Grade 3 hazardous work wage (68 dong). But many places calculate this based on the Grade 3 ordinary work marker (61.6 dong). Many stations think that if this has been calculated based on the hazardous-work wage scale, they do not have to add an additional 5 percent hazardous-work subsidy. But based on the stipulations, workers who work in such environments are entitled to both.

The failure to implement or make full use of the procedures and policies has reduced the incomes of the workers. We regret that we do not have integrated materials that indicate the income losses suffered by workers at the agricultural machine stations nationwide. But from the examples cited above, it can be seen that the losses are quite large.

#### Food and Clothes

Here, we want to mention the meals that production installations have been provided during the past few years. As for clothing, we will discuss protective work clothes.

We would like to give a few round figures. All of the stations inspected by the team give each cadre, worker and civil servant 2 dong per meal for food. In Hau Giang Province, in the middle of 1983, the

provincial people's committee decided to raise the lunch rate to 12 dong. But this has still not been done. Workers said that "2 dong now buys only 1 Song Cau cigarette." But except for providing 2 dong for lunch, Long An Province is more austere. Each worker economizes on fuel and parts during the production process, but the bonus system is not used.

The situation in supplying protective equipment is no better. Here, we will cite general figures for almost 30 stations:

1980: Almost nothing was supplied.

1981: Only some clothing.

1982: 30 percent of the stations had clothing.

1983: Things were better; 50 percent of the stations had clothing, but the quality declined. Because of a lack of protective equipment and implements, the agricultural machine stations could only give money to the workers and let them purchase clothes, shoes and hats. But the amount of money given each worker was much less than was needed to purchase the goods at the markets.

We need to mention something that is related to the food and clothing of the tractor operators. That is the period for raising wages. Everybody was surprised when they learned that the wages of five workers at the Me Linh station in Hanoi had not been raised during the past 8 years. Even worse, in 1983 in Hai Hung and Thai Binh, there were 12 workers who received their first promotion in 12 years. It doesn't require much analysis to see that at many agricultural machine stations, the system for raising wages each year has not been implemented satisfactorily.

In recent years, the party and state have constantly added new procedures and policies in order to ensure the laborers a minimum standard of living. In present conditions, even if those procedures and policies are implemented correctly and fully, the workers and civil servants will still experience difficulties in their lives. The incomes of the workers and civil servants have been reduced because of the improper and inadequate use of the procedures and policies as described above. This has made the lives of the workers and civil servants much more difficult.

We must not forget to mention some of the main reasons for this state of affairs.

First of all is the fact that policy documents do not reach the production installations. The inspection team found that few of the stations had received documents to guide the implementation of the procedures and policies. Thus, the production installations had no legal basis for taking action. This situation became even worse when the districts

were made responsible for managing the stations. The old management sector, the machine branch, is responsible for technical control only; the districts control everything else. It must be admitted that many districts must make a much greater effort if they are to manage this economic sector well. And this is without mentioning the fact that when the provinces hand over responsibility and the districts do not accept responsibility immediately, many circulars, directives, procedures and policies fail to reach the stations.

Another thing is that the stations calculate things for the workers and civil servants, but the district finance agencies and banks do not check things or force the stations to do things in accord with their methods. Thus, each place makes wage plans in a different way. Mr Sau Dang, the assistant manager of the Hau Giang provincial machine branch, said that "here, after the wage plan has been made, it is sent to the bank. A few people look at the average wage column. If they see 300 or 350 dong, they approve it. If the amount is more than that, they have to do it over. It's difficult to understand all the percentages."

Another thing is that laborers are not kept informed about the procedures and policies formulated on their behalf. Because they do not know about these, they do not receive everything to which they are entitled. And actually, they cannot master wages and bonuses.

We have given attention to the effect of the various echelon trade unions on the implementation of the policies and procedures at the agricultural machine stations. The effect has been very small. Few of the trade union secretaries at these units have ever attended trade union classes or received any training on the procedures and policies. They are station workers or indirect cadres. They do trade union work half-time. Because of all these factors, the trade union secretaries have few ideas about implementing the procedures and policies on workers. Because of this, throughout the inspection, a question that arose was, what can be done to make the laborers understand the procedures and policies of the state? This is a problem for the trade union echelons in disseminating the procedures and policies of the party and state to the workers. If the trade unions carry out this task well, that will be an active measure for implementing the procedures and policies correctly and adequately for the laborers.

11943

CSO: 4209/455

HEALTH, EDUCATION AND WELFARE

WRITER SAYS MORE MATERNITY HOSPITALS NEEDED IN HON GAI CITY

Hanoi PHU NU VIETNAM in Vietnamese 22-27 May 85 p 2

[Article by Nguyen Thi Ha, Quang Ninh Women's Association: "Sending Pregnant Women Back and Forth Between Public Health Agencies in Hon Gai City Must Be Stopped"]

[Text] There is a problem in Hon Gai City in Quang Ninh Province that can no longer be ignored. That is the matter of sending pregnant women back and forth between public health agencies in the city. When pregnant women in the four urban subwards and a number of other subwards and villages are ready to give birth and they go to the city or provincial hospital, they often encounter difficulties or are sent back to their base. The reason given is that they've come to the wrong place. And so the pregnant women have to return to their base. But there are no maternity hospitals in the villages and subwards and so the bases have to recommend that they go to the hospital. Pregnant women and their families have experienced many difficulties and much inconvenience. The lives of the women and their unborn children have been endangered. Such a situation exists between the public health agencies subordinate to the Hon Gai City hospital and the Hon Gai Coal Corporation Hospital. The reason they give is that "you came from a coal mine; go back to the coal mine to give birth to your children." There have been occasions at the corporation hospital when women have given birth right in the corridor of the hospital (although a midwife was present) because this was the wrong agency.

Why have pregnant women been pushed back and forth between bases and hospitals and between hospitals?

The Quang Ninh Provincial Women's Association has sent cadres to investigate this matter. The main reason for this state of affairs seems to be that only 6 of Hon Gai City's 19 subwards and villages have maternity hospitals; the other 13 (which includes 4 urban subwards) do not. The reason why a number of the subwards and villages do not have maternity hospitals is that the bases lack implements and buildings (because committee echelons, the authorities and the technical sectors have not given any real attention to this). Also, the idea of relying on higher agencies is still prevalent. People feel that their subwards and villages are near hospitals and that it is not necessary to build maternity hospitals. Pregnant women can be told to go to a hospital. The hospitals feel that they should only deal with people living

in their area or with difficult cases and emergencies that exceed the capability of basic level installations, so often they thoughtlessly create difficulties for pregnant women who have to travel back and forth and comply with maternity procedures.

Based on this, our women's association feels that the Hon Gai City public health sector should provide unified guidance to the hospitals and bases in order to put the minds of the pregnant women at ease, provide them with a fixed place to give birth, put a stop to sending them back and forth, create favorable conditions and ensure the safety of the women during delivery. Also, committee echelons and the primary level authorities must actively give attention to building a system of subward and village maternity hospitals.

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CSO: 4209/455

SCIENCE AND TECHNOLOGY

VIETNAM INSTITUTES OF SCIENCE OUTLINE RESEARCH PROGRAMS

Hanoi TAP CHI KHOA HOC KY THUAT in Vietnamese Mar-Apr 85 pp 1-3

[Article by Vu Dinh Cu: "The Vietnam Institutes of Science and Direction of Research on Technical Topics"]

[Text] This year, joining the entire nation in solemnly observing the various major holidays of the people, the Vietnam Institutes of Science are enthusiastically celebrating the 10th anniversary of their founding.

Born while the entire country was seething in an atmosphere of liberating the south and reuniting the country, the Vietnam Institutes of Science have made a number of steps toward maturity through 10 years of struggle and development. One of these steps was defining and formulating an initial basis for the directions of technical research. Actually, from the very beginning, following the scientific and technical development policy of the party, the basic scientific sectors such as Mathematics, Physics, Engineering, Chemistry and Biology, and the earth sciences at the Vietnam Institutes of Science have been aimed toward directed courses of basic research with special attention given to the application of technology to production. Nevertheless, the selection of technical research directions such as at the Vietnam Institutes of Science is only defined after many years of experiment.

Obviously, we must not and cannot develop every technical sector, no matter how important, in a research organization such as the Vietnam Institutes of Science but must make suitable selections. This is truly easy to understand when developing technical research courses at the Vietnam Institutes of Science which are closely connected with the basic scientific sectors with special attention given to production sectors or special concern for the requirements of production in our country. Because of the tendency during the current prominent scientific and technical revolution to closely connect the various research phases from the laboratory to full scale production, the scientific and technical advances are more quickly introduced to production. A special role is played here in the phase of changing the results of research made in the laboratory into technology and technique to create scientific and technical advances applicable to the specific conditions for introduction to production. The directions of technical research in the Vietnam Institutes of Science are primarily to answer the situation above.

The greatest problem of science and technology at the present time is that of energy. In our country, during the present period of socialist industrialization, the energy problem is increasingly important. To contribute toward the

solution of this problem in our country, the Vietnam Institutes of Science are developing a course of energy physics and technology research. Construction of an energy system for the total planned economy is one of the initial missions of the socialist industrialization period. First of all, we must study the methodology of research on energy systems in our country and, based on the natural resources and specific economic and social conditions, create appropriate theoretical means to assist in forecasting such things as long-term energy requirements and plans for developing the best energy systems.

To assist in building the energy industry in our country and raising the use effectiveness of energy resources, research must be conducted in material and heat exchange thermodynamics in energy change processes.

The primary element of the energy system in production is the electric power system. Research is needed to assist in building a superior electric power system with a high degree of reliability, low losses, high use effectiveness and conservative electric power use. To achieve this objective, research must be conducted on the achievements of informatic technology in electric power system automatic control, on the application of power transistor electronic techniques to all steps from the production to the use of electric power, and on the technical physics problems of high and ultrahigh power transmission lines in our country under the tropical conditions of high humidity and frequent lightning.

The search to exploit new (nontraditional) energy sources is an extremely important course. Research is needed first of all in assisting to evaluate the potential capabilities of energy sources in our country (solar radiation, wind, methane, tides, volcanic steam power, etc.). At the same time, there must be research in the design and use of various new energy forms such as solar, wind, methane gas, etc. power in suitable and meaningful objectives at this time (consumption, daily living, food and grain processing, and small industry). Conditions must be prepared for research on new energy problems of a long-term nature (power plants using silicon solar power batteries, thermal power plants, etc.). In the application of atomic and nuclear energy, the Vietnam Institutes of Science are presently not the directly responsible agency but the problems of energy technology materials are related to the application of atomic and nuclear energy in our country and are a field in which the Vietnam Institutes of Science must have a contributory research mission.

Electronic and communications technology have an extremely important role in modern production and in national defense and security. That is the primary technical precondition for a shift of society to the automation era. Increasing the level of application of electronic and informatic technology to our country has great significance in the process of developing every economic and social sector. The Vietnam Institutes of Science must contribute to the process of "electronification" in our country. They must promote research in the methodology of systematically analyzing electronic systems to assist in establishing a theoretical basis for methods of designing complex electronic systems. Research is needed in the development of systems to automate experimental research, design tasks and the processes of system application and the use of microdevices. We must study the development of information and knowledge

handling systems in the fields of management, basic investigation, communications and transportation, education, etc. Special attention must be given to microinformatics. In order to create conditions for uniform "electronification," the Vietnam Institutes of Science must also give attention to a number of important fields and techniques manufacturing electronic components, especially large and very large microelectronic circuits (LSI and VLSI).

Production of materials to support the economy is an extremely urgent problem. Materials and industrial study research is needed to develop the production of replacement materials from domestic raw materials, and the production of high-level and special materials. The physical and chemical natures of common materials are closely related to their structure. Research must be promoted in the thermodynamics and physical chemistry of related substances under different physical conditions (heat, pressure, radiation, etc.), especially during periods of extreme heat and high pressure. We must research the process of alloy inversion change and the role of material elements and industrial factors on the formation of structural shapes leading to techniques for manufacturing materials of the desired nature. New materials and new techniques have an important role in modern production. Research must be conducted in the application of new techniques in the fields of manufacturing material and contract ordering (metal, ceramic, polymer, etc. materials) aimed at improving quality and conserving raw materials. New materials such as special steel (with a high degree of hardness, great durability, heat resistance, corrosion resistance, etc.), ultrapure semiconductor materials, synthetic materials, etc. are important research objectives, especially concerning the materials made of domestic raw materials. Amorphous materials are also a form of new material with great expectations which must be studied for application.

The climate of our country has humid tropical characteristics and a course of research on tropical technology is of great importance to every economic and social sector. The Vietnam Institutes of Science, the great intersector research team of our nation, have many favorable aspects for developing tropical research.

Research must be conducted by natural and accelerated experimentation in the laws governing the comparison between the factors of a tropical climate (heat, humidity, solar radiation, atmosphere, microorganisms, etc.) and the corrosion and decomposition of materials and technical equipment in different mediums and climates. Of special importance are the laws governing corrosion of metals, the decomposition of nonmetallic materials, and damage to electric and electronic equipment. The direct results of the search for the comparative laws above are methods of protection, formulating quality standards, and break-down forecasts (longevity) for materials and technical equipment. It is also necessary to promote research on techniques of manufacturing special materials for protection, especially those made from domestic raw materials.

Above are briefly presented the directions of technical research chosen for development at the Vietnam Institutes of Science. Naturally, these are only those directions of a synchronized and long-term nature closely connected with the activities of the Technology Committee. Within the Vietnam Institutes of Science, other committees are consolidating courses of technical research with a nature of partially following the directed basic research.

In order to achieve the direction of technical research above, organizations have been established within the Technology Committee such as the Institute of Tropical Technology, Materials and Techniques Center, Energy Bureau, etc. Besides participation by the Technology Committee in developing the directions of research above, there are also research units in other committees, especially the Mathematics, Physics, Engineering and Chemistry committees.

With this overall effort, during the past few years, many research results of the Vietnam Institutes of Science have been applied to production and national defense, and have received high praise. That proves that, implementing the scientific and technical development line of the party as presented in Resolution 37 of the Political Bureau, the Vietnam Institutes of Science, with the harmonious structure between directed basic research and technical research, will firmly develop and make increasingly greater contributions toward socialist construction.

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