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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

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## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### Heng Samrin Promotes Senior Army, Police Officers

*BK0201074889 Phnom Penh SPK in French  
0516 GMT 2 Jan 89*

[Text] Phnom Penh, 2 Jan (SPK)—The PRK Council of State recently promoted 20 officers to the rank of general, and fixed the hierarchy of officers in the Armed Forces and the security forces.

By virtue of decrees signed on 31 December by Heng Samrin, chairman of the Council of State, the following were promoted to the rank of three-star general: Bou Thang, vice chairman of the Council of Ministers and chief of the General Political Department; Tie Banh, vice chairman of the Council of Ministers and defense minister; and Sin Song, interior minister.

The following became two-star generals: Ke Kimyan, first deputy defense minister; Pol Saroeun, deputy defense minister and chief of the KPRAF General Staff; Nhim Vanda, deputy defense minister and chief of the Logistics Department; and Soy Keo, deputy defense minister.

The following are one-star generals: El Vansarat, Peng Pat, and Nuon Sok—all deputy defense ministers; Nhek Huon, deputy chief of the General Staff; Chay Sang-yun, deputy chief of the General Staff and commander of the 3d Military Region; Hul Savoan, commander of the 4th Military Region; Than Chan, commander of the 1st Military Region; Un Den, deputy chief of the General Staff; Khim Pon, Sin Sen, Thong Chan, Sam Neat, and Loy Sophat—all deputy interior ministers.

## PEOPLE'S REPUBLIC OF KAMPUCHEA

### Correspondent on Absence of SRV Troops, Viability of Regime

*42070032b Bangkok SU ANAKHOT in Thai  
26 Oct-1 Nov 88 p 20*

["Approach the Camp" column by Fuangfa:  
"Approaching the 'Heng Samrin' Camps in Kompong Speu and Kampot"]

[Text] The news that Vietnam will withdraw its forces from Cambodia raises a question: After Vietnam has withdrawn its forces, will the Heng Samrin faction be able to defend itself? This is a question to which reporters from the Free World want to find an answer. When people have an opportunity to visit Phnom Penh, they often try to find an answer to this question by asking about this openly and by observing things.

"Fuangfa" visited Cambodia with this same question in mind. The latest reports from the United States concerning the Heng Samrin forces and the withdrawal of

Vietnamese forces state that Vietnam intends to withdraw 65,000 troops, which is the bulk of its forces. But some troops will probably remain in Cambodia. Vietnam will probably use the Vietnamese who have settled down in Vietnam as its eyes and ears. The U.S. reports also state that the 5th and 330th divisions seem to be making preparations to return home, just as the Soviet forces are withdrawing from Afghanistan.

As for the situation in Phnom Penh and other large cities in Cambodia such as Kompong Speu and Kampot, there is no sign of Vietnamese troops anywhere, even around the Vietnamese embassy. People who visited Cambodia last year have said that the situation has changed greatly, because last year, there were still Vietnamese troops in Phnom Penh. When we asked where the remaining Vietnamese troops have gone, we were told that they are in the mountains and along the border, particularly the Thai-Cambodian border. The eastern region of the country is now quite safe, and people are allowed to travel from Phnom Penh to Ho Chi Minh City by car. But in the west, such as in Battambang, Sisophon, and Siem Reap provinces, people must still be very careful, particularly after 1600 hours.

But when you ask people how confident they are in their ability to defend themselves, everyone from the prime minister to junior officials in the Heng Samrin regime says that the PRK will be able to defend itself. They are now much stronger than they were 10 years ago. The people, however, are interested in improving their lives. Because of the security that they have enjoyed, they have not given much thought to this problem. They say that if the Khmer Rouge returns, they will fight.

With the help of the Cambodian prime minister and lower-ranking officials, we had an opportunity to see a military training exercise and observe classroom training for Cambodian soldiers. We started by observing things in Kampot. Some of the 250 soldiers training there allowed us to observe them in training. The commander, Nu Van, was very cooperative. In Kompong Speu, we watched a tank training exercise. The commander of the cavalry regiment, who would not tell us his name and who was quite young, took us to see the school where soldiers are taught how to drive tanks (this school was opened in 1979). They also study tank techniques here. From the plans that we saw, they were using T-54 and T-55 tanks. The charts were in the Russian language. The instructors had been trained in the Soviet Union and East European countries. All that they would say about the demonstration tanks was that they were from socialist countries. This demonstration was held in order to show the outside world that the Heng Samrin regime is prepared to defend itself and that it does not lack experience, which is what many people have said.

Both the Heng Samrin faction and Vietnam have said that Vietnam will definitely withdraw its forces from Cambodia by 1990.

### **Kampot Province Trade, Ethnicity, Links With Thailand**

42070032c Bangkok SU ANAKHOT in Thai  
26 Oct-1 Nov 88 p 19

[Excerpts] Kampot [passage omitted] is a southern coastal city located approximately 140 km from Phnom Penh. It is a very lovely seaport. SU ANAKHOT traveled there by car along Highway 3. At first, the road was quite good, but by the time we reached Takeo Province, the road was filled with holes, and the bridges destroyed during the fierce fighting had not all been repaired. But when we arrived in Kampot Province, the roads were much better, which showed that the economy of this province is good.

Kampot is not too far from Kong Island or the Thai provinces of Trat and Chanthaburi. And like everywhere else, the people who live near the border consider themselves to be related to each other. In Kampot, the provincial governor, Siluan Amphon, told everyone that he is a native of Kampot but that he attended school in Chanthaburi. Others said that he was born in Thailand. What is definite is that he can speak Thai and that he has relatives living in Thailand with whom he maintains contact.

What showed that relations between the Cambodians and the Thai are still very much intact is that there were various types of Thai goods there, including everything from daily necessities to vehicles. We learned that goods are traded on Kong Island. In Kampot, there are now two import-export companies, and there will soon be another.

Kampot resembles southern Thailand. When you stand along the bank of the Kampot River and look toward the mouth of the river, it is as if you were standing along the bank of the Pattani River. The only difference is that the Kampot River is wider and more peaceful. There is a shipyard that builds fishing boats. And at the mouth of the river, there is a large village of Cambodian Muslims. [passage omitted]

We stayed at the Kampot provincial guest house, an old hotel dating from the French period. An official who is a member of the provincial committee told SU ANAKHOT that the people of Kampot are going to build a new hotel along the Kampot River. The money for this will come from the trade tax paid by the people, which totals about 33 percent. Many people traveling here noted the beauty of Kampot and agreed that building a hotel along this beautiful river was a good idea. But remembering the terrible road from Phnom Penh, we felt that it would be more convenient to take a boat from Trat. [passage omitted]

Many people in Thailand have a negative view of Cambodia and are fearful of the threat from this direction. But the people there do not view Thailand, particularly the Thai people, that way. They are ready to accept constructive cultural [items]. We never thought that we would see "Thai boxing" in Kampot. [passage omitted]

### **Discussion of Hun Sen, Conditions in Phnom Penh**

42070032a Bangkok SU ANAKHOT in Thai  
26 Oct-1 Nov 88 pp 13-17

#### **[Text] The Young Fox of Phnom Penh**

The "young fox" is the nickname that Prince Sihanouk gave to Hun Sen, the 38-year-old prime minister and minister of foreign affairs of the PRK, or "Heng Samrin regime" as some people call it, which has controlled most of Cambodia since 7 January 1979 and which has revived this land of death and given it new hope even though it has faced strong international opposition.

Prime Minister Hun Sen is a leader from a younger generation. He is someone to watch. On the surface, he seems very easygoing. But once he begins to negotiate, he shows that he is a fighter who likes to take the offensive. This can be seen quite easily. Very little is known about him. He was a vocational student who loves his country. He came from a poor peasant family, who was at the bottom of Cambodian society. He was born in Kompong Cham and joined the revolution in 1970. He was a resolute fighter and became a military commander in eastern Cambodia. It's said that Hun Sen had opposed the Pol Pot-Ieng Sary group since April 1975 and that he began carrying on underground activities in June 1977. In December 1978 he joined the Cambodian national liberation front as a member of the Central Committee and served as the head of the Youth Association. After liberation in January 1979, he was appointed minister of foreign affairs. He now serves as prime minister and minister of foreign affairs. He is a member of the party Central Committee and Politburo.

SU ANAKHOT interviewed Mr Hun Sen at the Government House in Phnom Penh on 17 October shortly after he was interviewed by English and American television reporters. During the interview with the Western reporters, Mr Hun Sen was quite careful. But during the interview with Thai reporters, he was much more relaxed and natural. He asked for a 555 cigarette, which is the brand that he likes, and smoked while answering questions. The conversation was conducted through an interpreter using English. Mr Hun Sen spoke Cambodian. But because of his facial expressions and gestures and because our two languages share a similar foundation, it was not too difficult to communicate with him.

His confidence and his pride in fighting for his country could be seen quite clearly. This did not stem just from the boldness of youth. Rather, it stemmed from the fact that he had been tempered in battle throughout his youth. Many people think that he is just a "puppet" of Vietnam. But many Cambodians don't agree with that, because the events of the past 10 years have clearly shown who or which groups have been prepared to sacrifice their lives for the people of Cambodia and give them new life.

Our interview with him lasted only 1 hour. Mr Sek Settha, the then director-general of the Information Department, Cambodian Ministry of Foreign Affairs, who left this position just last week, kept looking at his watch. But Mr Hun Sen continued talking to SU ANAKHOT, because he had things that he wanted to say to the people of Thailand. He said over and over that the people of Thailand are not Cambodia's enemy. But some members of the ruling class are another matter.

Finally, SU ANAKHOT had to end the interview.

"Would you like to visit Bangkok someday?"

He did not respond except to smile broadly. But when we said that Cambodia seems to have come to life and have a future, Mr Hun Sen said "thank you" quite clearly in the Thai language.

#### **The Rebirth of Phnom Penh Today, There Is Life and Hope**

The large number of people was the first thing that struck us about Phnom Penh that first day there. The old image of Phnom Penh was that of a dead city during the period 1975-1978. After that, the recovery from the piles of garbage and bones was not a very cheerful picture. But from what we saw in October 1988, Phnom Penh is full of life again. The rebuilding can be seen at all levels of Cambodian society.

When we asked people from where they had come, many said that they had moved from various regions of Cambodia, particularly from the western border, where there is still fighting. They had come here because Phnom Penh is the center of hope for them. It is a city of opportunity. These changes could be seen quite clearly beginning last January. In particular, many wealthy people arrived from Sisophon.

"Hasn't any attempt been made to limit the number of people coming to the city?"

Just after liberation, officials were strict about letting people move. But now, things are lax, because "senior officials" want to relax things in the country. "If people come from places where there is fighting or from areas where they can't make a living, if they have relatives in Phnom Penh or have a way of making a living here, how could they be prevented from coming here," said a resident of Phnom Penh.

The main trading area in Phnom Penh is near the Manorum and Sukhalai hotels. This is a very crowded area. The cost of renting a shop has increased greatly during the past 10 years. In the main business area of Phnom Penh, the cost of renting just the lower floor can cost 10-20 damlung [1 damlung equals 60 grams] of gold. Trade is carried on freely. If a person has a stove and pan, he can set these up along the sidewalk and earn

some money by frying food. Trade is brisk. Capitalism, which was deeply imbedded in the people of the old society, has reappeared throughout Phnom Penh.

Around 0600-0700 hours, the streets are crowded with bicycles and motorcycles. Even though there are few private sedans, you can still see a few old and new sedans belonging to state units and private individuals. The makes of the cars range from Ladas to Toyotas. In the morning, the restaurants are very crowded. The food eaten by the Cambodians in the morning is similar to the food in southern Thailand. This includes vermicelli, boiled rice, noodles, "pathongko," and coffee and tea. You can ask for lemons and fresh peppers to enhance the flavor. As for people who have lived in the United States, if they eat noodles at a Vietnamese restaurant and choose the "Phnom Penh style," they will find the food similar to what they have eaten in Chinatown in the United States. You can order entrails and fresh shrimp.

Because of the huge influx of people into the capital, many people are worried about the problems that will follow, including unemployment, crime, and drugs. The first two are already present. As for narcotics, even though marijuana is not an illegal substance, no one uses it. Reporters there do not think that narcotics will become a problem in Cambodian society, because social problems do not put much pressure on people. And Eastern society provides a way out. But Cambodians smoke and drink a lot.

In the evenings, the many restaurants, which are operated by Cambodians of Chinese ancestry, are filled to capacity. The people at almost every table (mostly men) drink liquor, including a wide variety of foreign liquors that can be found at the markets in Bangkok. Just like other goods from Thailand, Mekong and Hongthong whiskey can be found there. These goods are either smuggled into the country or imported through "middlemen" countries like Singapore.

The dark-skinned Cambodian women still wear the national dress, that is, tight-fitting blouses and long skirts. But some are starting to wear shorter dresses and other clothes like Lao women. Those who wear pants are mostly of Chinese or Vietnamese ancestry. When it comes to dress and makeup, Cambodian women are second to no one. Among the items that are very popular are earrings. There is a large variety, including earrings made from silver, gold, and gemstones. The most popular colors are pink and bright yellow. They like very flashy colors.

"Besides the Cambodians, are there any foreigners in Phnom Penh and where do they come from?"

There are three main groups of foreigners in Cambodia today. The first group is composed of volunteers and people who work for various international organizations that are providing help to Cambodia and the Cambodian people. Most of these people stay at the Samakhi or Vot

hotels. The Bangkok-Ho Chi Minh City-Phnom Penh flight is always filled with these people. The second group is composed of correspondents from both the Free World and the Socialist World who want to find out what is happening in Cambodia. Initially, Western reporters found it rather difficult to get into Cambodia. But now, things are much easier. You just have to make arrangements in advance and have a clear plan. In particular, people must make contact well in advance. The number of administrators is very limited and so they are all very busy. They frequently make trips abroad in order to seek understanding and help from other countries. The third group is composed of people who fled Cambodia and settled down in Europe and the United States. Allowing these people to visit Cambodia has had psychological benefits. Families that fled the genocidal Pol Pot regime have been able to return. This has also enabled Cambodia to obtain much foreign currency. Furthermore, many of those who have achieved financial success abroad during the past 10 years welcome the chance to invest in Cambodia.

There are not enough hotels in Phnom Penh to accommodate all these visitors. People have to make reservations months in advance. There are reports that wealthy Cambodians in France are planning to build a new hotel in Phnom Penh.

"How do Cambodians feel about the Vietnamese?"

People in the top echelons often say that "you know who your real friends are in times of difficulty." That means that Vietnam is a "true friend." But at lower levels, people are not very close. This stems in part from the history of bad relations between the Cambodians and the Vietnamese. But another reason is that today, many Vietnamese have come to Cambodia to live and work. The Cambodians feel that these people came here with nothing and are taking work away from Cambodians. It is not difficult for them to gain a position similar to that of the Cambodians. For the reasons mentioned above,

the masses in Cambodian society prefer the Soviets to the Vietnamese. Another reason is that because of the differences in ethnicity and culture, the Cambodians feel that it would be more difficult for the Soviet Union to dominate Cambodia.

The great desire of Cambodians to have contact with the outside world is evident from the fact that they make a great effort to talk with "foreign visitors." All the news they get comes from the state-run television and radio and state-controlled newspapers.

Young Cambodians are very interested in foreign languages, particularly English. The English Language Center is a place where teachers can earn extra money during lunch time and after school. Many students and other people study here. The street there is filled with signs advertising the instruction. Even though the teachers speak only broken English, the classes are filled. The students pay 60 riel (approximately 150 riel to the U.S. dollar) per month. There are also schools that teach the Thai language, but the number of students who study Thai is very small as compared with the number who study English. The people who speak Thai are people originally from Battambang and Mongkolborei.

Videos from Thailand are very popular. This includes music videos and Thai and Chinese movies. Cambodian texts are being used. Also, videos are being shown using large screens instead of showing movies. Some of the movies now being shown at the theaters were produced by Cambodians. Most of the films are about royal dynasties just like in Thailand.

Cambodian socialism has many special characteristics that need to be studied. During the past 10 years, Cambodia has had to confront many internal and external problems. But it has managed to survive. The people, with their bare hands, have rebuilt the country with an instinct for survival and a desire for a better life.

**Japanese Envoy Explains Aid**  
*42130037d Jakarta KOMPAS in Indonesian*  
7 Dec 88 pp 1, 12

[Text] Jakarta, KOMPAS—The Japanese Government thoroughly understands the problems experienced by Indonesia, especially those related to the decline of oil prices and the added burden of foreign debt caused by the appreciation of the Japanese yen. Japan will therefore help as much as possible without rescheduling Indonesia's foreign debts. Japan fully believes the Indonesian Government is able of developing its economy successfully and is improving its ability to manage foreign debt.

The Japanese ambassador to Indonesia, Sumio Edamura, stated this to KOMPAS in Jakarta recently.

"My government understands Indonesia's situation and appreciates every effort it is making. The Japanese Government will continue to try to give as much help as possible to Indonesia, using means that facilitate this," said Edamura, who was accompanied by Drs N. Nomura, second secretary for information and culture at the Japanese Embassy in Jakarta.

The Japanese ambassador's statement was in connection with the speech he made last week at a seminar on "Efforts to Improve Indonesian-Japanese Economic Relations." Edamura mentioned, among other things, the various kinds of aid Japan has given to Indonesia and the effects on Indonesia of the appreciation of the yen.

Ambassador Edamura rather strongly denied the view expressed in a KOMPAS editorial on 1 December that his statements in the seminar were more in the nature of "self-defense" than a response to Indonesia's appeals, especially those from Prof Dr Widjojo Nitisastro and Minister of Finance Prof Dr J.B. Sumarlin, who hoped Japan would be aware of Indonesia's problems resulting from appreciation of the yen.

"I was absolutely not defending myself in the seminar, because there is nothing to defend. I was merely presenting Japan's position of wanting to help Indonesia and the efforts it has already made," he said.

#### May Package

He said further that because of its interest in Indonesia the Japanese Government at the end of May had provided an aid package of \$2.3 billion. Of that amount, \$1.7 billion was for rupiah expenditures of about 3 trillion rupiahs.

"This amount is 10 percent of the State Budget (APBN) for 1988-89, or one-third of Indonesia's development budget," said Edamura.

The Japanese Government believes Indonesia now very much needs this package, especially for overcoming the shortage of foreign currency in resolving the balance of payments problem and in covering the development budget deficit.

One of the problems Indonesia faces in economic development at this time is the lack of maximal utilization of Japanese aid through the OECF (Overseas Economic Cooperation Fund). This lack of utilization is because of the absence of rupiah funds to accompany Japanese aid projects. These accompanying funds are needed for the purchase of cement, steel, or other domestic products.

"This lack of rupiahs causes serious delays in these development projects. Thus, the pressing need is for provision of rupiahs," said Edamura.

#### Full Confidence

The Japanese aid of \$2.3 billion also demonstrates the Japanese Government's full confidence in Indonesia's economic development. Indonesian efforts to overcome its foreign debt problem, including limitations on foreign aid with commercial provisions and economic deregulation measures, have inspired Japanese confidence in Indonesia's economic future.

Such confidence comes not only from Japan but from other donor countries, too. Confidence is very important, for it can increase international banking assistance to Indonesia, thus enabling repayment of its foreign debts and the consistent expansion of its economy.

"Confidence is a very important asset to Indonesia. It should therefore not be taken for granted, but must always be strengthened," said Edamura.

The use of the foreign debt rescheduling method would make this confidence difficult. Furthermore, debt rescheduling is not easy to do. It is a lengthy process, and it is not certain that all parties would want to do it. Although the Japanese Government, for example, is willing to reschedule the debts, it is not certain that banks not associated with the Japanese Government would agree to it.

#### Debt Management

The Japan Ambassador believes that Indonesia is steadily endeavoring to improve its foreign debt management capability. Edamura is therefore confident that in its effort to resolve the yen shortage Indonesia will have some of its foreign exchange reserves in the form of yen.

"I very fully expect that Indonesia's improved ability to manage its foreign debt will be a good way to avoid undesired eventualities in the future," he said.

The basic pattern for managing foreign debt must be identified. One method, for example, is to balance the foreign exchange shortage with foreign exchange reserves.

"If all Indonesian foreign exchange had been converted to Japanese yen in 1985, Indonesia would now possess a foreign exchange reserve in dollars that is twice the current reserve," he said. Foreign exchange reserves now in the hands of the government amount to about \$6 billion.

With regard to the problem of debt increases caused by yen appreciation, Edamura reemphasized that the size of the debt payments is a consequence of both private loans and supplier credits in the 1980's. Because the Indonesian Government is no longer increasing its commercial indebtedness and is severely limiting the use of supplier credits, foreign debt problems caused by a rising yen value will not be repeated in the future.

"If the composition of debt payments is presented openly to the public, there will be a wider understanding of the government's policy, and thus there will be more who elect soft, supplemental aid rather than foreign debt rescheduling," said Edamura.

**Japanese Urges Reduced Plywood Exports**  
*42130031a Jakarta KOMPAS in Indonesian*  
*28 Nov 88 pp 1, 8*

[Excerpt] The Japanese Plywood Manufacturers Association (JPMA) has asked Indonesia to reduce plywood exports to Japan as much as possible. The supply of plywood in Japan already exceeds the demand, causing a drop in prices. As a result the plywood industry in Japan is in a bad state.

Zenetsu Konno, general chairman of the JPMA, made this statement at a press conference at the Hilton Hotel on Saturday [26 November]. The day before, the JPMA met at the hotel with the directors of APKINDO (Indonesian Plywood Association), headed by its chairman Bob Hasan.

The press was informed that Japan has an excess supply of 800,000 cubic meters of plywood this year. This has made the price of plywood fall to about 20 percent below normal. Konno did not mention the exact price because it varies according to the quality of the plywood.

Japanese plywood production this year is estimated at 7.5 million cubic meters. Imports from Indonesia amount to 1.8 million cubic meters, so that the total is 9.3 million cubic meters. However, actual demand for plywood in Japan is only 8.5 million cubic meters. The excess supply is therefore 800,000 cubic meters.

**Reduce Production**

Besides asking Indonesia to reduce plywood exports to Japan, Konno also suggested that plywood production in Japan be reduced. This is needed so that the price of plywood will rise again in hopes that the Japanese plywood industry can return to its former state.

The JPMA admitted that Indonesian plywood production costs are so low that it can compete in the Japanese market with domestically produced plywood. However, this should not be allowed to lower the price of plywood and put the domestic Japanese plywood industry in a bad state.

If plywood stocks on the Japanese market can be reduced, it is hoped that the price will rise. This will also benefit the Indonesians who are trying to increase the country's foreign exchange from that product. Cooperation in the plywood business between both countries is needed.

Indonesia and Japan, both producers of plywood, need each other to make use of tropical log resources, which are limited in supply and are costly. Both sides have agreed that there should not be any misunderstandings and they have been exchanging precise information and carrying out reasonable activities. [passage omitted]

**Plywood Manufacturers To Counter Japanese**  
*42130031b Jakarta KOMPAS in Indonesian*  
*29 Nov 88 pp 1, 5*

[Excerpt] Indonesia is planning to buy wood from Serawak and Sabah (Malaysia) in the near future. The purpose is to "annoy" the Japanese plywood industry, which has constantly been hindering Indonesian businesses from marketing its plywood in Japan.

"We have spoken to our members about this," said M. Hasan, general chairman of the Indonesian Plywood Association (APKINDO), at a working meeting with Commission VI of the DPR [Parliament] in Jakarta yesterday.

The main subject of discussion involved funds for purchasing wood because, he said, if you want to buy 1 million cubic meters at \$100 a cubic meter, this will come to \$100 million. Therefore, APKINDO must be ready with at least \$50 million.

As is well known, Indonesia and Japan have been having a "wood war" for years. Japan feels that it has suffered a big loss through Indonesia's policy of stopping log exports; these steps have ruined about 350 Japanese plywood factories. Only 105 factories have survived out of a total of about 450 Japanese plywood factories; they depend on raw materials originating in Sabah, Serawak and Papua New Guinea. As a counter measure, Japan has been trying in every way possible to limit Indonesian wood from entering the country.

M. Hasan said, "I myself have talked to the Japanese. You have Toyota, Nippon Steel and all kinds of other businesses. Why are you still hindering Indonesian plywood exports by imposing import taxes and the like?"

Indonesia would like Japan to close down its entire plywood industry because it is no longer efficient. They can take part in the plywood industry here in Indonesia. "But what happens is that they accuse us of dumping. That's not true; we're still showing a profit."

### Marketing Strategy

Various methods of facing up to the protected Japanese market have been tried, including a governmental approach. In any case, the Japanese market, which is able to absorb 8.5 million cubic meters a year, has a big potential.

To get closer to the market, APKINDO has created a joint venture with a Japanese trading house, Kanmatsu Trading Company. The strategy of entering the Japanese market has been decided through a joint venture, Nipindo, which is located in Hong Kong.

As a result of these various endeavors it is estimated that 1.3 million cubic meters of Indonesian plywood have entered Japan during the first 9 months of this year. The result has been that the Japanese plywood industry is in a bad state because the supply has increased and the price has dropped sharply. This situation could "force" the JPMA (Japanese Plywood Manufacturers Association), which is very tough on Indonesia, to come to Jakarta. In a press conference last week they asked Indonesia to decrease exports to Japan. [passage omitted]

### Agreement To Buy Iraqi Crude Oil

42130031d Jakarta MERDEKA in Indonesian  
30 Nov 88 p 1

[Excerpt] Indonesia will buy 30,000 barrels of Iraqi Bashrash crude oil a day; the agreement is that the proceeds of the sale will be used to buy goods and services which Indonesia will offer to Iraq. The dollar value of the Iraqi oil is about \$120 million a year.

Sudradjat Djwandono, junior minister for trade, made this statement today after meeting with President Suharto at the Bina Graha [president's residence]. Sudradjat spoke to reporters after he, Minister of Trade Arifin Siregar and Junior Minister for Agriculture Syarifuddin Baharsyah reported to the president on the Indonesian delegation's plans to attend a meeting of GATT in Montreal, Canada in December.

Sudradjat said that the price of the Iraqi crude oil sold to Indonesia was determined by taking the spot price and applying a certain discount.

He explained that the Indonesian trade delegation which had been in Iraq some time ago had negotiated this barter-purchase system of payment.

Sudradjat said that various contracts between Indonesian businessmen and Iraq had already been signed and that there are some still in the negotiating stage.

The banking sector had participated in the discussions of the means of payment. [passage omitted]

### Many PRC Nationals Believed Still Illegal

42130037b Jakarta KOMPAS in Indonesian  
8 Dec 88 p 1

[Excerpt] Jakarta, KOMPAS—It is estimated that more than 2,000 former PP-10 [Government Regulation 10]/1959 PRC citizens have not undergone legalization in spite of the fact that the opportunity given by the government ended on 15 September. The government is now tracking them down for prosecution as illegal aliens under existing laws.

Minister of Justice Ismail Saleh said this in a working meeting with members of DPR [Parliament] Commission III on Wednesday [7 December]. The meeting was led by Soesanto Bangoenagoro.

Data gathered on aliens in Indonesia in 1986 showed that 4,427 Chinese held EPO [exit permit only] documents. They were the remaining EPO holders who for whatever reason had not left for their homeland, the PRC.

EPO's were issued by the government in 1959 along with PP-10, which banned PRC citizens from doing business in level I and II regions. As a result, most PRC citizens elected to return to their homeland. At that time, the government then issued EPO's, which gave them permission to depart. For various reasons, however, there were PRC aliens who did not leave, making the status of their presence in Indonesia unclear.

It was for this reason that the minister of justice gave them opportunity for legalization through his decision of 15 September 1987. "Of the 4,427 EPO holders, 2,085 of them took advantage of the opportunity. Of these, 1,830 have been given immigration papers, and 225 others are in process," the minister said.

According to the 1986 figures, there were 4,427 EPO holders. Thus, he continued, there are still 2,329 people who have not undergone legalization. POLRI [Indonesian Police] and local governments will try to track them down for subsequent prosecution. [passage omitted]

### **Assimilation of Chinese-born Citizens in Semarang**

42130030e Jakarta *PELITA* in Indonesian  
28 Nov 88 p 5

[Text] It seems that the activities of BAKOM PKB [Communications Board for Instilling National Unity] for Chinese-born citizens in various counties of Central Java has not yet satisfied the government's hopes in the areas of economic activity, social relations, family planning, art and culture, retraining and upgrading and many others.

These Chinese have not yet fully assimilated either in or out of the villages. In fact, some of them who engage in subversive activities, such as setting the native population off against each other, must be watched out for even if only to the point of being given a warning.

#### **Still a Lot**

Maj Gen Setijana, commander of the fourth provincial military command, once told *PELITA* that to overcome them ABRI [the Armed Forces] was ready to act if asked to pacify them. This is especially true for those who stubbornly refuse to become citizens. In fact, the military is ready to track them down if any bad subversive activities take place.

In the meantime, Mrs Goek Soetjipto, a member of Commission A of the Central Java DPRD [provincial parliament] said that she thinks that assimilation is pretty good in this area even though there still could be some improvement. This shows up in the active participation by Chinese-born citizens in various counties in the areas of art and culture and in other activities.

In the areas of art and culture there has been assimilated dance practice between native-born and Chinese-born citizens, with both of them studying traditional, folk, and social dancing. In fact, last September the Central Java provincial government tried to hold a "National Social Dance Exhibition" with mixed dancers and participants from about 20 counties in Central Java.

In the area of social activities 63 Chinese-born citizens are active in the PKK [expansion unknown here], 120 are active in the PKB [Family Planning Center], 119 in the LKMD [Village Maintenance Society] and 2,096 have become HANSIP [civil defense corpsmen]. The BAKOM PKB, an organization which works hand in hand with the government, has been created to deal with the efforts to carry out an assimilation program.

#### **Stubbornly Resisting**

In spite of that, the BAKOM PKB has not played an active role yet, as the government had hoped it would. This has occurred at the provincial level in Central Java as well as at the county level. The provincial government is always urging them to carry out activities in the

economic field, to discuss the problem of information about trade activities and for KADIN [Indonesian Chamber of Trade and Industry] to create a trade activity information center. It still has not happened yet.

In the social area Chinese-born citizens are urged to become active in the PKK [expansion unknown here], in the Family Planning Association, etc. In the cultural area they are urged to organize mixed cultural events. The fact is that there still are private schools, the Karangturi, the Mataram and the Kebondalem schools which tend to stick together in Semarang.

Only 13,180 people, or 5.02 percent of the 255,460 Chinese-born citizens, have taken part in the P4 [retraining and upgrading course]. To support this grouping and to increase functional coordination for handling assimilation efforts a provincial assimilation work group has been formed in Central Java. This was included in the governor's order No. 471.3/8/1987, dated 27 January 1987; they have been formed in 22 counties up to now.

Commission A urges Chinese-born citizens to get close to and communicate with the larger society in which they live. They should not act tyrannically just because they have a lot of money, power or clout. They should take an active part in social activities so that there develop close relations between Chinese-born citizens and the native population. They should trust and respect each other and feel that they need each other.

### **Sutrisno Promotes Border Area Socioeconomic Development**

42130031c Jakarta *KOMPAS* in Indonesian  
30 Nov 88 p 1

[Excerpt] To maintain the security already achieved by Indonesia and Malaysia along their border, the 17th session of the Indonesia-Malaysia General Border Committee has made plans to carry out socioeconomic efforts in that area.

PANGAB [Commander in Chief of the Armed Forces] Gen Try Sutrisno, made that statement yesterday afternoon at the Committee's 1-day session. Try Sutrisno, accompanied by Malaysian Minister of Defense Ahmad Rithauddin, added that an initial project of socioeconomic development in the border area would begin in the Entekong-Tebedu land area in 1989.

In response to questions, Rithauddin said that socioeconomic development in the border area is very important because a higher standard of living would mean that the residents of the border area would be less tempted to engage in activities harmful to the two countries' security.

Try Sutrisno said that the two countries have been aware for some time of the importance of increasing the social and economic conditions of the populace in the border area.

At the 13th General Border Committee meeting held in 1984 a joint board, called the Indonesian-Malaysian Socioeconomic Work Group, was formed. Its tasks are to raise social and economic conditions in the border area.

However, Try Sutrisno admits that socioeconomic development efforts have not been planned well and are still rather limited. He hopes that the Entekong-Tebedu project, planned to start in 1989, will develop in the border area. [passage omitted]

**Manpower Minister Gives Unemployment Figures**  
*42130032c Jakarta KOMPAS in Indonesian*  
*5 Dec 88 p 2*

[Text] Drs Cosmas Batubara, minister of manpower, said that since the economy has grown less than 4 percent a year during REPELITA [5-Year Development Plan] IV, fewer than six million new jobs have been created during that period. Meanwhile, the work force has grown by 9.3 million people during that period. This means that at the end of REPELITA IV there will be a potential increase of more than three million new unemployed people.

Cosmas said that the job market will not be any better during REPELITA V. It is estimated that the work force will grow by 11.2 million people whereas there will be only seven million new productive employment opportunities. The potential number of unemployed people will increase. This will force people to work in the informal section.

Cosmas Batubara made these statements in a written communication read by Ismail Soemaryo, acting director general of Training and Placement of the Department of Manpower. He read these statements at the opening ceremonies of a 1-day workshop on "Skills Training for Women To Increase Family Welfare," which took place at Soegiyapranata Catholic University in Semarang on Saturday (3 December).

He said that unemployment and underemployment, including not allowing women to work, are a waste of economic resources with the most potential. Therefore, real efforts must be made to widen opportunities.

The minister reminded the audience that the GBHN [Main Outlines of National Direction] and several presidential speeches explaining these directions have repeatedly said that expanding employment opportunities is one of the landmarks for success in development since jobs not only have an economic significance but they also have a human significance, i.e. increasing self worth.

Cosmas said that during the period covered by REPELITA V there will be about 36 million women in the work force, or about 42 percent of the entire work force; however, their level of education will not be much different from that of REPELITA IV; most of them have only graduated from elementary school.

**MPs Cite Lack of Development Funds for Irian Jaya**  
*42130030c Jakarta KOMPAS in Indonesian*  
*18 Nov 88 p 1*

[Text] Commission X of the DPR [Parliament] thinks that in many ways the allocation of funds for INPRES [presidential instruction] projects is unfair. For example, allocations for Irian Jaya, which is four times larger than Java, only gets an allocation equal to that of smaller provinces.

This opinion was expressed at a meeting of the plenary session of the DPR yesterday which put forward the results of various commissions' visits to the provinces during the recent recess. The meeting was led by the DPR's deputy chairman R. Soekardi.

The commission stated that there are serious complex problems spread over the entire area of Irian Jaya, in spite of the fact that the province is lightly populated. These problems have become worse since a number of programs or projects, for example a project to provide physical facilities for the civil service, which were first handled locally became INPRES provincial projects.

"Commission X agrees with the provincial government that in determining the allocation of funds for INPRES provincial projects consideration be given to the size of the province, prices, transportation and the scattered population," added the commission's spokesman Drs Subagyo.

**Regional Expansion**

The provincial government of Irian Jaya has also had problems in carrying out INPRES aid to villages which are entitled to it. That aid must be given as a whole to the village or hamlet which is entitled to it. The problem is that Irian Jaya villages are located in the interior and are very isolated from each other.

In addition, it was admitted that due to geographic factors there are still unsolved problems of control and oversight over development and projects.

Facing up to these problems Commission X thinks that Irian Jaya will have some basic problems under REPELITA [5-year development plan] V. These problems include insufficient human resources, isolation of areas and an ineffective government apparatus.

"It is time that the great expanse of Irian Jaya be divided into more than one province for more efficient bureaucratic, developmental and social administration," said Subagyo.

### Not Yet Synchronized

Commission X thinks that the Irian Jaya BAPPEDA [Provincial Development Planning Board] also faces some basic obstacles in the lack of manpower skilled at developmental planning, in the unsynchronized planning between the departmental timetables and the provincial timetables, in the fact that locals are no longer included in decisions about the approved projects list and in the fact that expense standards are the same for all of Indonesia.

Commission X hopes that when the government makes up the 1989-1990 RAPBN [Budget Plan] it will pay close attention to the problems and characteristics of human and natural resources in Irian Jaya. This is in line with the government's concept and attitude of paying more attention to eastern Indonesia in REPELITA V.

### NU Chief Explains Stand on Pork Controversy

42130037c Jakarta SUARA KARYA in Indonesian  
8 Dec 88 p 3

[Excerpt] Bandung, SUARA KARYA—Islamic preachers must have good mastery of a subject and must prepare well before stepping forward to preach. In addition, preachers need to be sharp in anticipating situations and must always stand on the lofty purpose of preaching, which is the benefit and good of the Islamic community.

This message was presented by the chairman of the PBNU [Executive Council of the Nahdatul Ulama], K.H. [Islamic Scholar and Pilgrim] Abdurrahman Wahid, to participants in a seminar for NU preachers in West Java, which was held on Tuesday night [6 December] at the West Java NU Regional Building at Bandung.

According to K.H. Abdurrahman Wahid, understanding of a subject and adequate preparation are absolute prerequisites for preaching. Without such preparation, a preacher will not be able to articulate clearly the substance of his preaching.

He noted that a preacher is an ordinary human being who at every moment is responsible for controlling and improving himself. If a person is not alert to these human shortcomings, unwanted consequences can arise. What he speaks, for example, may be the opposite of what he had formulated in his mind.

Abdurrahman then cited an actual example. Many preachers are talking about the issue of pork fat, but he observes that not a few of them are taking up the topic without precise understanding of the problem. Equipped with superficial information and hit-or-miss preparation, they preach with fervor from the podium.

According to Abdurrahman, the positions of neither those who ban pork fat nor those who permit it are founded on the right principles and arguments. He emphasized that neither NU scholars nor the PBNU understand the issue precisely.

“Food technology specialists are the ones who understand the issue, but some people who are obsessed with giving religious advice say the NU is afraid of the government. The matter is indeed very difficult, and we actually do not understand the issue,” he said calmly.

In the case of pork fat, the NU merely asks that oversight of food production be tightened so that products can truly be trusted by the public. He called on the Islamic community to be calm and to avoid being provoked by rumors.

The PBNU chairman suggested that preachers talk with other preachers when they meet an issue they do not understand. “If you can't comprehend an issue yourself, don't take a confrontational attitude,” declared Abdurrahman. [passage omitted]

### Immigration Rules Eased To Promote Investment

42130032a Jakarta MERDEKA in Indonesian  
2 Dec 88 p 9

[Excerpt] In response to questions from MERDEKA yesterday, Drs Hamsuk S. Wijaya, head of public relations of the Immigration Directorate General, said that Indonesia has also made it easier for investors who invest at least half a million dollars to obtain a permit to stay in the country.

These questions were asked because England's control over Hong Kong will end in 1991 and the Pacific basin countries will be trying to attract that country's investors by offering them permanent residence.

The only condition is the ability to invest in the host country in an amount that varies from country to country. New Zealand and Australia, for example, only require half a million NZ dollars in investments.

Hamsyuk said that many people have taken advantage of this relaxation of the rules, but he has forgotten the exact number. However, he quickly added, Indonesia makes a careful selection, especially in the case of former PP-10s [expansion unknown] now living in Hong Kong.

### Other Relaxations of the Rules

In addition, so that business and capital investment will run smoothly Immigration has also issued a Multiple-Entry Business Visa (VKUMPK) valid for 1 year. Each entry will be good for 4 months and will be extendable for another 2 months.

Previously, that visa was valid for only 4 months with each visit good for only 21 days.

This VKUBKP will be given to foreign businessmen who wish to do any of the following: hold trade talks, field observations, and talks about products to buy or sell, explore the possibilities of investing in Indonesia, attend international exhibitions, give or attend noncommercial lectures, attend meetings at their company's main or branch offices in Indonesia, make a journalistic visit to Indonesia as long as permission has been obtained from the proper government agency, provide consultation, support, information, and training for applications and innovations in industrial technology. [passage omitted]

### Naval Exercise Expanded

42130033a Jakarta *ANGKATAN BERSENJATA*  
in Indonesian 19 Nov 88 p 10

[Text] Surabaya, *ANGKATAN BERSENJATA*—The Armada Jaya XI/1988 Exercise generally was more extensive than Armada Jaya X, and the testing of joint operations indicator applications was more developed and enhanced. Rear Admiral Muhamad Arifin, commander of the Indonesian Eastern Fleet, said this, among other things, in his statements at the closing ceremony of the Armada Jaya XI/1988 Exercise at Pantai Armada, Ujung Pandang, Surabaya, last Saturday [12 November].

At another point in his message, the commander called on ship captains to be more precise in analyzing situations and the technical conditions of their ships for the sake of good performance during maneuvers. He called on marine unit commanders to improve the consolidation of their forces, especially in maintaining momentum of both speed and harmony in landing their forces.

He called on exercise staff officers to improve their understanding of tactical procedures and cooperation so that aid given to commando elements will better expedite progress of the exercises. He then called on all exercise participants to improve not only their skills but their unity in thinking and acting as well.

Rear Adm Muhamad Arifin also congratulated and thanked Commodore Ketut Wiresata, director of the Armada Jaya XI Exercise, and all participants for their good performance of the exercise.

The Armada Jaya XI/1988 Exercise was held for the purpose of improving the capabilities, preparedness, and operational readiness of the Integrated Fleet Weapons System (SSAT). Materials were developed to cover staff procedures and processes for the planning of amphibious operations and for the command and control of tactical cooperation among weapons in anti-surface-ship and anti-submarine warfare, air defense, mine warfare, and the deployment of weapons to support the maneuvers of landing forces.

The exercise involved 17 warships of various types, including the Van Speijk-class destroyer escort KRI

[Ship of the Republic of Indonesia] Yos Sudarso, the tanker KRI Sorong, the landing ship, tank, KRI Teluk Ende, and the limited patrol craft KRI Sembilang.

Besides the surface ships, the exercise also included the submarine KRI Cakra, five Navy aircraft consisting of Nomads plus BO-105 and Super Puma helicopters, and Air Force elements in the form of four Skyhawks. There were 3,075 personnel involved in the exercise, including one BTP [Battalion Combat Team] of marines from YON [Battalion] 5. The ultimate target of the exercise was Sampara Village, Kendari Regency, which required disabling an enemy force through an amphibious operation at the beach at Sampara.

The recent closing ceremony began with observation reports drafted throughout the exercise by the Observation Team chief and exercise controller, Navy Captain T.B. Husein Yusran, and by the Evaluation Team chief, Navy Captain Anas Safei. Rear Adm Ketut Wiresata, commander of the Indonesian Eastern Fleet Battle Group (DAN GUSPURLAARMATIM), presented a report on the execution of the exercise and marked the occasion with the symbolic removal of exercise participant emblems from the uniforms of Navy Captain Yuwarsono, commander of the GUGASFIB [Amphibious Task Force], and Marine Major Bastian Umar, commander of the Marine Landing Force.

### West Sumatra Ulama Council Asks Ban on Islamic Groups

42130030d Jakarta *PELITA* in Indonesian  
21 Nov 88 p 1

[Excerpt] The West Sumatra Ulama Council (MUI) has asked the West Sumatra provincial government to ban all organized and individual activities, recitals of the Koran, the spread of teachings and books by self-styled Islamic groups which can lead people astray.

The West Sumatra MUI's request was one of the recommendations contained in the minutes of MUI's provincial working meeting which took place in Padang 16-19 November.

The recommendation issued by MUI, as stated by Drs H Bgd M. Letter, West Sumatra MUI's secretary, was prefaced by the ulamas' considerations. In West Sumatra recently the activities of the sects called Jamiatul Islamiyah and Lemkari have raised questions in the minds of the Islamic community in West Sumatra. [Passage omitted]

### Demonstrating Students Confront Education Minister

42130030b Jakarta *KOMPAS* in Indonesian  
21 Nov 88 p 6

[Text] When Fuad Hassan, minister of education and culture, visited the campus of ISI (Indonesian Art Institute) in Gampingan, Yogyakarta on Saturday (19

November), he was greeted by a group of students carrying posters who called themselves the FKMY (Yogyakarta Students Communication Forum). At the same time, a student wearing that institute's alumni jacket handed the minister a letter containing some demands, including the demand that the right of autonomy be restored to the campus.

This poster demonstration was unexpected; the minister was visiting the ISI campus to inaugurate an exhibition of painting by Hidayat, a 63-year-old instructor at ISI who is retiring this year. There was no disturbance at the inauguration ceremony, which was very brief.

"If you want to ask a question, go ahead. Just remember that my time is very limited," the minister said to hundreds of students from various institutions in Yogyakarta. Earlier, Brotoseno, a student at ISI, had read out a letter he had written. Accompanying the minister were Prof But Mughtar, the president of ISI, and three plainclothesmen.

When there was no reaction to the minister's invitation to ask questions, Prof But Mughtar got hold of the mike and said that the students would be given the opportunity to ask questions for a period of 15 minutes.

"The minister is flying back to Jakarta," said But Mughtar; the response from some of the students was, "uuuuuuuuu." At that moment the posters appeared; the head poster read "I love Mr Fuad." Other posters contained criticisms of various policies which the students thought damaging to groups on campuses.

Minister Fuad was calm in the face of the situation. He even clarified various terms used by the students to express their opinions; they did not understand these terms very well and this invited questions from an outside party.

"It is my task to explain this," said Fuad, saying that he really wanted to respond to the students' questions. "It's only that my time doesn't allow it. Don't misinterpret that to mean that I'm not prepared to respond," he said in a fatherly way. The terms that he said were poorly understood included: campus autonomy, freedom of the pulpit, academic freedom, and technostructure.

"Don't use terms that are hard to understand. Just use terms that are easy to take in. Your statement contains those hard terms," said the minister brandishing the students' statement.

Fuad Hassan said that historically the term freedom of the pulpit has only been used about preachers giving a sermon in church. It then got to be used about university professors speaking in the senate, so that the clothing they wear is like a preacher's clothing.

"So that it's pretty funny for a student to demand freedom of the pulpit." He also pointed out that freedom of the pulpit should not be confused with academic freedom. In his statements Fuad Hassan rejected student requests to restore campus autonomy. "Autonomy means extraterritoriality, and that will not be allowed."

At the end of his statement the minister invited the students to help to safeguard the image and authority of the academic community by emphasizing problems which are well understood. "There are students who don't understand the meaning of a seminar but who hold a seminar. They don't know the difference between a seminar and a symposium," he said firmly.

About noon local time Fuad Hassan left the gathering of students, several of whom had taken part in the protest, and headed for the DPRD [People's Consultative Assembly] of the DIY [Yogyakarta Autonomous Region] on 29 October [as published] (see KOMPAS 2 November). Prof But Mughtar, the president of ISI, had no comment on the events which had just taken place on his campus.

#### **Legal Aid Institute Supports Review of Death Penalty**

*42130037a Jakarta KOMPAS in Indonesian  
1 Dec 88 pp 1, 8*

[Excerpt] Jakarta, KOMPAS—The Indonesian LBH [Legal Aid Institute] Foundation supports the personal opinion of MENKO [Coordinating Minister] for POLKAM [politics and security] that the death penalty provision in Indonesian laws should be reevaluated.

"We should demonstrate that this state based on Pancasila philosophy is much better and more civilized than states that still use the death penalty. The way to do this is to abolish the death penalty, said Abdul Hakim G. Nusantara, chairman of the LBH in a press statement issued on Wednesday afternoon [30 November].

As reported by KOMPAS on Tuesday [29 November], Sudomo said the death penalty question should be discussed by legal specialists. He issued the statement in view of the facts of the process leading to the execution of two Cakrabirawa soldiers in the middle of October, which did not take place until 20 years after their sentencing by the Military Court. This shows that the carrying out of a death verdict is a long process, said Sudomo, who believes that Pancasila does not recognize the death penalty.

Similarly, Abdul Hakim said in his statement that the nature of the death penalty in the criminal law system introduced in the KUHP [Code of Criminal Law] is actually a product of the Dutch colonial government and is not consistent with the principles of a Pancasila state.

"In connection with the sympathetic statement made by the MENKO POLKAM, the LBH Foundation needs to reemphasize its basic position in favor of the abolition of the death penalty," he said. Human history has shown that the death penalty is not an effective means of reducing evil and criminality.

The death penalty also means terminating the right of a man to live and to improve himself. In the context of a civilized society, the death penalty more reflects arbitrary power over man rather than the wisdom that a civilized power should possess, according to the LBH view.

The LBH therefore asks the government that criminals and prisoners, especially political prisoners, who have

been sentenced to death and are now awaiting execution should be acquitted of the death penalty. The government's boldness in abolishing implementation of the death penalty on political criminals will be a sincere step toward building a civilized society consistent with the humanitarianism and justice projected by Pancasila.

Records show that the anti-death-penalty view has in fact surfaced several times, followed by controversy between those who agree with the position and those who want to retain the death penalty in the criminal law system. The controversy arose in 1974 among university students and reappeared in 1978 in various statements and demonstrations. [passage omitted]

**Agreement With SRV on Propaganda Cooperation**  
*BK3012032288 Vientiane Domestic Service in Lao*  
1200 GMT 29 Dec 88

[Excerpt] This morning, Somlat Chanthamat, secretary of the LPRP Central Committee and head of the Propaganda and Training Board of the party Central Committee, returned to Vientiane capital from the SRV after ending a 1-week official friendship visit at the invitation of the Propaganda and Training Board of the CPV Central Committee.

During the visit, the delegation of the Propaganda and Training Board of the LPRP Central Committee held consultations and exchanged lessons with a delegation of the Propaganda and Training Board of the CPV Central Committee on propaganda and training work. The two sides also signed an agreement on an ever more efficient cooperation and mutual assistance in this field. [passage omitted]

**Education Accord With SRV Province**  
*BK3012095288 Vientiane KPL in English*  
0909 GMT 30 Dec 88

[Text] Vientiane, December 30 (KPL)—An agreement on cooperation in education between the two twinned provinces of Laos and Vietnam, respectively Savannakhet and Binh Tri Thien, was reached recently, reported a local source.

According to the agreement, Binh Tri Thien will send specialists to Savannakhet to improve the educational standard there, particularly in the framework of kindergartens and creches as well as the incorporation of professional study general education.

In addition, some educational cadres of the Lao province will pay working tour visits to Vietnam each year and the programme will be effected in a period of two years, from 1989-1990.

The agreement was signed in Bin Tri Thien on the occasion of the Lao educational delegation's visit to the province.

### Gerakan Stresses Unity

42130036a Kuala Lumpur *BERITA HARIAN* in Malay  
27 Nov 88 p 1

[Text] George Town, Saturday [26 November]—The recent dissension within Gerakan was sparked by a group of leaders with communal attitudes, said the president of Gerakan, Datuk Dr Lim Keng Yaik.

He said that what has happened during the last several weeks has not hurt the members' confidence in the party at all. On the contrary, it has reinforced their enthusiasm for continuing the endeavor.

Speaking at the 17th Conference of Gerakan Delegates, which was inaugurated here today by Prime Minister Datuk Seri Dr Mahathir Mohamad, he said he is confident that Gerakan will emerge as a strong party after this.

"Gerakan's position is clear and emphatic. We consider political stability and national unity to be the foundation of the country's progress and the main factor in Gerakan's joining the National Front in 1974," he said.

Although some leaders have left the party, he said, Gerakan will continue to strive for the interests of the people and the country.

He declared that Gerakan will continue to listen to and accept opinions as well as review the party's strategy, tactics, and organization.

"I advise those who have left the party to examine their own performance in the party to which they belonged," he said.

Datuk Dr Lim also said that a small group of party members have never ceased to charge that they were not given much opportunity to hold positions in the party because of their ancestry.

"I wish to stress that as a Malaysian people's party striving for fairness and justice, Gerakan will not permit discrimination to exist among its members. No one in the party should demand a position merely on the basis of ancestry," he said.

In his statements, Datuk Dr Lim also proposed that a National Economic Policy be created after 1990, with unity in the context of prosperity and opportunity for everyone as its main objective.

He also asked the government to continue to democratize education, especially in regions where there is not enough progress among disadvantaged groups, as well as to avoid politicizing it.

More than 600 delegates from the entire country attended the conference.

### Mahathir Guarantees Adequate Rice Supply After Floods

42130036b Kuala Lumpur *BERITA HARIAN* in Malay  
28 Nov 88 p 1

[Text] Jitra, Sunday [27 November]—Prime Minister Datuk Seri Dr Mahathir Mohamad guaranteed that rice supplies throughout the country will be adequate in spite of the report that many rice paddies were destroyed by extensive floods in this state.

Datuk Seri Dr Mahathir said food supplies cannot be hurt because the country has adequate stockpiles of rice for coping with disaster.

Kedah, which is known as the "Rice Barn State," is said to contribute more than 40 percent of the country's rice. This means that there are 656,799 tons of rice produced in Kedah that cannot be sold. The country produces 1,642,000 tons of rice each year.

This year, Malaysia has bought 200,000 tons of rice from private interests in Thailand. In addition, Malaysia and Thailand have an agreement for Thailand to supply an additional 84,000 tons of rice to this country between July and December of this year.

The government also imports rice from Burma each year. Rice imports from that country in 1986 totaled more than 40,000 tons.

The flood, which was the largest in this state in 40 years, reportedly destroyed thousands of hectares of paddy fields within and outside the Mada area.

At Kubang Pasu alone, about 4,000 hectares of rice are definitely known to be destroyed by the water, and most of the rice stockpile at the National Paddy and Rice Board (LPN) Complex at Anak Bukit was ruined because there was no time to save it.

Mada has 96,000 hectares of paddy, employing about 63,000 farmers, besides thousands more outside of Mada.

Speaking to reporters after visiting flood victims in the Kubang Pasu area here today, the prime minister said the government will endeavor to give help in restoring plants damaged by the flood.

The government must study it first, however, the prime minister said.

He said in reply to a question that the government will also try to take specific steps, including the building of dams and increasing the height of river banks to reduce the incidence of floods in areas frequently covered by water.

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**MALAYSIA**

"It is not possible, however, for us to prevent unusual floods, like this one, that happen once every 40 or 50 years. We can only give emergency aid and set all existing machinery into motion," he said.

The prime minister said he was satisfied with flood preparations, because all parties fulfilled their respective responsibilities in an orderly and impressive way.

**Article Rebuts Antibases 'Disinformation Campaign'**

*42000051b Manila MANILA BULLETIN in English  
30 Nov 88 p 7*

[News Analysis by Gaspar Balthazar: "Disinformation Drive Re Bases Issue"]

[Text] Manila (ANFI)—Opponents of the Manglapus-Shultz memorandum of agreement, which updates the 1947 Philippine-American military bases agreement, are waging a disinformation campaign against continued U.S. use of Philippine bases.

Politicians and radical labor elements opposed to the Manglapus-Shultz accord claim that Foreign Secretary Raul S. Manglapus was "duped" in Washington into signing an understanding "concocted overnight." The claim makes propaganda capital of the fact that Manglapus was on a brief trip to the United States when the memorandum was concluded.

The fact of the matter is that the Manglapus-Shultz accord resulted from protracted and frequently acrimonious negotiations between Philippine and American panels, headed by Foreign Secretary Manglapus and U.S. Ambassador Nicholas Platt, respectively. The negotiations attended a bilateral review of the bases agreement, which spanned a period of more than six months. Save for the last lap of the review, it was conducted in Manila.

The incontestable fact that the Manglapus-Shultz accord redounds, on the whole, to the economic benefit of the Philippines refutes the claim that Manglapus was "duped."

Critics of the memorandum have mounted a disinformation blitz, giving fresh coating of paint to the old story that America maintains military bases in the Philippines. The truth is that, while the term "American bases" usually is used in press reports and public discussions, the United States has military facilities located within Philippine bases. Both Manila and Washington hold to the view that the Philippines has undisputed ownership of, and sovereignty over, the bases.

The charge often is heard in Congress, the academic community, and public forums that the United States is "squatting" on vast areas of "prime land" that it does

not need. This accusation is a handy weapon to "progressive" senators and congressmen and radical college professors and leftist trade unions. The Philippines could harness, it is claimed, such precious tracts of land to its economic recovery program.

What is the score? Clark Air Base has a total land area of some 53,000 hectares of which 3,700 hectares, or 7 percent, actually are occupied by the U.S. military facility. Subic Naval Base has a land area of 14,800 hectares of which 6,300 hectares, or about 42 percent, actually are occupied by the U.S. military facility.

Neither the public nor the private sector has taken any visible or concrete step toward the economic utilization of the unused or unoccupied parts of Clark and Subic.

A majority of the Senate membership has taken issue with the President over guarantee of "unhampered military operations" given U.S. forces in the country by the bases agreement. The proviso on "unhampered military operations" cannot validly be blamed on the Aquino administration. It was, in fact, embodied in the 1979 amendment to the military bases agreement. The Aquino era still was in the lap of the gods in 1979; its inception took place only in 1986.

The proviso really has a limited scope: it is intended to forestall physical interference, such as the construction of an installation or such other structure in the neighborhood or trajectory of a runway. In the 1983 bilateral review of the bases agreement, the Philippine and U.S. governments agreed to the reaffirmation of the Serrano-Bohlen agreement that U.S. use of the bases for military combat "operations" has to be taken up in "prior consultation with the government if the Republic of the Philippines, notwithstanding the provision of the 1979 amendment to the military bases agreement."

It is noteworthy that, during the Vietnam War, Manila and Washington agreed that U.S. combat operations should not be launched from the Philippines. Consequently B-52 missions had to be flown from Guam, adding 3,000 miles and several thousand dollars to each flight.

The disinformation drive apparently is calculated to create an unfavorable climate for bilateral negotiations on a new bases treaty, which are expected to commence early in 1989. A determined effort to foil or frustrate such negotiations is known to be high on the agenda of communist propaganda and diplomacy.

**Premier's Adviser Scores Finance Minister Moves**  
*BK0301014589 Bangkok THE NATION in English*  
3 Jan 89 p 1

[Excerpt] One of the prime minister's economic advisers yesterday blasted the finance minister's decision to invite seven foreign banks for talks on opening new branches in Thailand, likening the move to "hawking our own attractive daughter cheap".

Dr Chuanchai Atchanan also charged that the Finance Ministry's tardy decision on the future of the Industrial Finance Corporation of Thailand (IFCT) over its foreign exchange losses has cast a shadow over the local stock market.

The adviser, in a conversation with the THE NATION, added that he "did not understand" why the Finance Ministry had decided to cut personal income taxes.

"The most worrisome sign is the apparent conflict between the fiscal and monetary policies. Questions have been raised as to whether the Finance Ministry has overstretched itself into the country's monetary policy," Chuanchai said.

He said the Finance Ministry had sent seven telex messages inviting various foreign banks to open new branches in Thailand. "I must state categorically that I don't agree with this move. Mobilizing capital through new branches this way just doesn't work. Thailand doesn't have to go around asking people to set up new bank branches here. If we are sure that our daughter is beautiful, there is no need to hawk her at a cheap price," the prime minister's adviser said.

He contended that the move would not help promote savings in the country. On the contrary, he suggested, the invitations could give the wrong signals to foreign countries. "The move could raise questions abroad. Some people may start asking whether Thailand is in some kind of trouble. If we were really attractive and sound, why do have to go around asking people to come to us?" Chuanchai asked.

Finance Minister Pramuan Saphawasu has explained that the talks with foreign banks are only aimed at exploring their opinions so that the ministry could lay down guidelines on new foreign bank branches. He said the move had been misinterpreted as a decision to invite the banks to open up new branches in the country. [passage omitted]

## POLITICAL

### National Day Greetings to Cuba *BK3112151188 Hanoi VNA in English* 0700 GMT 31 Dec 88

[Text] Hanoi VNA 31 December—Vietnamese leaders today extended their greetings to Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the State Council and of the Council of Ministers, on the 30th national day of Cuba (1 January).

The message, signed by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee; Vo Chi Cong, president of the State Council; and Do Muoi, chairman of the Council of Ministers, says: "Over the past 30 years, under the correct leadership of the Communist Party of Cuba headed by you, the heroic Cuban people have foiled all schemes of sabotage, blockade, and aggression of their enemies, and obtained great achievements in all domains. Cuba has always been a solid fortress of national independence and socialism in the Western hemisphere. Cuba's international position and prestige have been constantly increased. The constant consolidation and development of socialist Cuba is a great source of encouragement to all nations struggling for national independence and social progress."

The message expresses the Vietnamese people's pride in the achievements made by the Cuban people, and wishes them still greater successes in national construction and defence.

It continues: "We note with satisfaction that the militant solidarity and all-round cooperation between the parties, governments, and peoples of Vietnam and Cuba have constantly been strengthened and developed. We are grateful to the communist party and the people of Cuba for their wholehearted support and assistance to the Vietnamese people's national construction and defence. We pledge to do our utmost to promote our bilateral relations in the interests of the two peoples and of the noble ideals of the times, namely peace, national independence, democracy, and socialism."

### Council of Ministers Citizen Protection Decision *BK0201075689 Hanoi VNA in English* 0705 GMT 2 Jan 89

[Text] Hanoi VNA Jan. 2—The Council of Ministers has issued a decision on the state protection of the citizen's legal, commercial, and service activities.

The decision says in part:

—All commercial and service activities undertaken by economic institutions and individuals in the country are protected according to state law. They are entitled to loans and may open their accounts at the State Bank.

They are also allowed to hire manpower and entitled to state protection when their legal businesses are hindered by other organisations or individuals.

—They are accountable before law for their businesses, must strictly abide by the state regulations on statistical and accountancy work and tax payment, and ensure the rights and interests of the employees according to law.

—Their products enjoy free circulation in the country, except narcotics, weapons, military equipment, historical and cultural relics, and reactionary and depraved cultural items.

—Individuals are entitled to pool their capital and set up their own business organizations or privately-run corporations which, however, must be registered and have their own operational regulations.

The local authorities have the duty to reorganize the local markets in order to ensure unhindered circulation of commodities.

## ECONOMIC

### Joint Soviet Oil, Gas Enterprise Production Figures

*BK0201150489 Hanoi VNA in English*  
1447 GMT 2 Jan 89

[Text] Hanoi VNA/OANA Jan 2—The Vietnam-USSR Petroleum Joint Enterprise (VIETSOVPETRO) has over the past two years and a half pumped up one million tons of crude oil from the Bach Ho oil bed off the coast of Vung Tau-Con Dac Special Zone.

VIETSOVPETRO, founded eight years ago, is the first Vietnam-USSR oil and natural gas joint enterprise. On June 26, 1986, the first barrels of oil were tapped from Bach Ho. Last year alone it pumped 67,000 tons, 17,000 tons more than planned. This year, the enterprise plans to extract 1.49 million tons.

Over the past eight years the enterprise has installed seven offshore rigs and trained some 600 engineers and skilled workers for oil prospecting and extraction.

### Increased Rubber Exports to USSR

*BK0301092689 Hanoi VNA in English*  
0702 GMT 3 Jan 89

[Text] Hanoi VNA Jan. 3—By the end of December, the Vietnam General Department of Rubber had exported 37,865 metric tons of rubber, 2,106 tons more than planned.

Of the volume, 28,289 tons were exported to the Soviet Union, an increase of 289 tons over the target.

### **Resettlement Program Update for Thai Binh Province**

*BK0201151289 Hanoi VNA in English  
1456 GMT 2 Jan 89*

[Text] Hanoi VNA Jan 2—Thai Binh (population nearly 1.6 million) is one of the most populous provinces in the Red River Delta averaging 1,050 per square kilometre, second only to Hanoi. With a per capita share of 600 metres or so of cultivated land, the 627,000 workhands, mostly farmhands, stay idle for at least two months a year. This plus the ever present contingent of 6,000 to 7,000 unemployed in the urban agglomerations in the province has made resettlement an urgent task.

For 27 years now, the local authorities have helped almost 400,000 people, or 25 percent of the province's population, including 200,000 workhands, to resettle in more sparsely inhabited areas throughout the country. This achievement has been made possible thanks to an incentive policy whereby the settlers are provided with from three to six months' food as well as means of production. Before they moved to the new place, their property at the old place was purchased by the local agricultural co-ops at mutually agreeable prices. They are also aided by the authorities in the new place in the building of houses and welfare projects for a quick stabilization of their living and working conditions.

## **SOCIAL**

### **Efforts To Solve Unemployment**

*BK3012150388 Hanoi International Service in Thai  
1130 GMT 26 Dec 88*

[Text] Based on official figures, Vietnam will have to create jobs for about 4 million people from now until late next year. How to solve such a difficult social problem? This is the question Vietnamese economists and social workers are trying to answer. The "Feature of the Week" program would like to discuss this matter.

Each year Vietnam has hundreds of thousands of students finishing secondary schools. This has greatly increased the demand for jobs. There are already vocational school and college graduates waiting on the lists for job opportunities, in addition to the students who finish their schools annually. Furthermore, there are numbers of officers and privates who are demobilized

from the army. The last category are school children at the age of 14 or 15 who stop going to school and workers in big cities who have been waiting for jobs for years.

Vietnam gives first priority to efforts to solve the unemployment problem, to normalize society and to increase national income. The report of Vietnam's Council of Ministers to the National Assembly has laid down the following three guidelines to generate jobs for workers. First is to try to make use of the various economic sectors, such as agriculture, forestry, fishing and manufacturing. Additionally, efforts must be made to create jobs in rural areas and in areas where chances are still open for development. Second is to promote foreign investment in Vietnam. There are good prospects in this area. This should be coupled by cooperation with foreign countries in various ventures which will generate jobs for a large Vietnamese labor force. Third is by promoting cooperation with foreign countries in labor exports. Efforts should be made to expand overseas job placement and export service.

It must be emphasized here that the Vietnamese Government has proclaimed and is going to proclaim various policies to promote non-governmental economic ventures in various fields in order to expand exports, businesses, and the service sector, which will create greater demand for workers. Several localities have already implemented the measures and achieved initial successes. Since the beginning of this year, industries and manufacturers in Ho Chi Minh City have hired a considerable number of new workers for production. There have already existed joint industrial ventures between the government sector and foreign investors in Ho Chi Minh City. They have set up production units to expand production of electronics, medicines, textiles, and ready-to-wear garments, for example. Several production units have doubled, or increased several fold, their production compared to the first 9 months of last year. The city's manufacturing sector has many hundreds more sewing machines. Production in the private sector and family businesses have made smooth progress. About a dozen companies and private enterprises have received permission to operate industrial plants. There have been 2,000 more units of family production, with 5,500 workers being hired, compared to late last year.

Solving the problem of unemployment is a difficult task, especially in Vietnam which is a poor country, badly devastated by war. Nevertheless, the initial progress mentioned above indicates that there are always possibilities to solve the problem.