



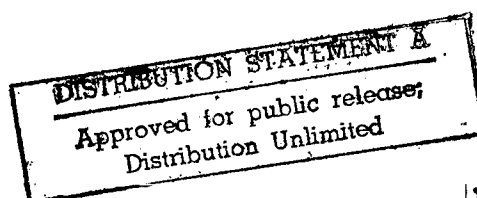
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# ***JPRS Report***

## **East Asia**

***Southeast Asia***

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# East Asia Southeast Asia

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## CONTENTS

6 August 1992

### CAMBODIA

Businessmen To Play Key Role in Koh Kong [Bangkok BANGKOK POST (BUSINESS POST) 21 Apr] .....	1
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### INDONESIA

#### POLITICAL

Status of PRC Citizens Clarified [SUARA KARYA 16 Jun] .....	3
Islamic Intellectuals Big Influence on Politics [SUARA KARYA 3 Jul] .....	4
Golkar Working on Issues for State Guidelines [SUARA KARYA 16 Jun] .....	4
Comments on Golkar's Dependence on ABRI [MERDEKA 16 Jun] .....	5
DPR Speaker Says Militarism Will Not Be Tolerated [MERDEKA 16 Jun] .....	7

#### ECONOMIC

Reviewing Implications of AFTA [SUARA KARYA 18 Jun] .....	8
Finance Minister on Foreign Debt Payments [SUARA KARYA 16 Jun] .....	9
Writer Says Logistics Board Still Needed [MERDEKA 16 Jun] .....	10
Writer Says Energy Diversification Needed [ANGKATAN BERSENJATA 9 Jun] .....	12
Telephone Company Receives Grant of Line Exchange [ANGKATAN BERSENJATA 18 Jun] .....	14
Company To Offer Lower Cost Antipollution System [BISNIS INDONESIA 13 Jun] .....	14
Status of Wood Industry [EDITOR 20 Jun] .....	15

### LAOS

Further Report on Award to SRV for Assistance [PASASON 18 May] .....	17
Kaysone Economic Leadership Role Discussed [PASASON 11-13 May] .....	17
Official on Implementation of Laws, Constitution [PASASON 6-10 Jul] .....	19
General Writes on Lenin, Need for Vigilance [KONGTHAP PASASON LAO 23 Apr] .....	23
Army Problems in Xieng Khouang, Shift in Structure [KONGTHAP PASASON LAO 23 Apr] .....	23

### MALAYSIA

#### POLITICAL

Rich Countries Use ILO To Limit Poor Nations [BERITA HARIAN 6 Jun] .....	25
Terengganu UMNO Fails To Exercise Leadership [WATAN 21 Jun] .....	25

#### ECONOMIC

Vellu Urged To Explain Sale of Telekom Shares [BERITA HARIAN 10 Jun] .....	27
Program Promotes Small, Medium Industries [BERITA HARIAN 9 Jun] .....	27
Telephone Company Plans More Phones [UTUSAN MALAYSIA 10 Jun] .....	28

### THAILAND

#### POLITICAL

Khmer Rouge Peace Plan; Effect on Country [SIAM RAT 18 Jun] .....	29
End of Military Involvement Called for [THAI RAT 18 Jun] .....	29

## ECONOMIC

IPR Violators Arrested for Selling Software [NAEO NA (LOK THURAKIT SUPPLEMENT) 18 Jun] .....	30
Organizations Plans To Help Northeastern Farmers [DAO SIAM 15 Jun] .....	30
Businessmen, Bankers on Post-Election Prospects [NAEO NA (LOK THURAKIT SUPPLEMENT) 13 Jun] .....	30

## VIETNAM

### POLITICAL

Comments on 1992 Constitution, Organization Role [NHAN DAN 28 May] .....	32
Further on New Constitution, Government Powers [NHAN DAN June] .....	33
Discussion on HCMC Party Organization [NHAN DAN Jun] .....	35
Secretary Comments on Youth Union Members [TUOI TRE 6 Jun] .....	37
Youth Union Holds Seminar on Expanding Party [NHAN DAN May] .....	38
Professor on Renovation for Socialism [NHA NUOC VA PHAP LUAT Jan-Mar] .....	39

### MILITARY

Thanh Hoa Building Self-Defense, Militia Forces [TAP CHI QUOC PHONG TOAN DAN May] ..	43
Article on Methods of Ensuring Logistical Supplies [TAP CHI QUOC PHONG TOAN DAN May] .....	44
Article on Socialist, All-People National Defense [TAP CHI QUOC PHONG TOAN DAN May] ..	47

### ECONOMIC

Japanese Wins Oil Prospection, Exploitation Contract [VIETNAM NEWS 25 Jun] .....	49
Foreign Cooperation in Communication Services [TUOI TRE 16 Jun] .....	49
Delegation To Attract Hong Kong Investment [VIETNAM NEWS 24 Jun] .....	50
Ho Chi Minh City Increases Exports [VIETNAM NEWS 24 Jun] .....	50
New Directions for Import-Export Noted [THOI BAO KINH TE SAIGON 14-20 May] .....	50
Regulations on Import-Export Tax Exemption for Enterprises [THOI BAO KINH TE SAIGON 14-20 May] .....	51
Attracting Capital by Effectively Using It [KINH TE VA DU BAO May] .....	52
742 Private Businesses Licensed [VIETNAM NEWS 24 Jun] .....	55
Official Interviewed on Information Technology [VIETNAM NEWS 20 Jun] .....	55
Joint Venture Company Director Interviewed [THOI BAO KINH TE SAIGON 4 Jun] .....	56
Major Smuggling Case Discovered at Tan Son Nhat [TUOI TRE 13 Jun] .....	57

### SOCIAL

Minister Discusses Population, Family Planning [TUOI TRE CHU NHAT 14 Jun] .....	57
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### **Businessmen To Play Key Role in Koh Kong**

92SE0246A Bangkok BANGKOK POST (BUSINESS POST) in English 21 Apr 92 pp 17, 28

[Article by Phipat Loetkittisuk in Koh Kong]

[Text] Thai businessmen are to play a key role in the development of Koh Kong, a Cambodian border province close to Trad. Many investment projects have been launched there and a number are planned.

During a meeting with Thai officials in Cambodia, provincial governor Rong Phlamkesan said the economy of Koh Kong depends mainly on fishing, and the provincial authority wants to boost and diversify business.

Two areas of development have been pinpointed: infrastructure and tourism, as the first step in development where cooperation from the Thai side is on the rise. Koh Kong recently decided to establish a provincial tourism office responsible for tourism management and promotion, an industry Koh Kong has no expertise in.

"In fact we are not ready to receive tourists because of the limited supply of accommodation, but we welcome anyone wishing to come," he said.

The tourism office currently has only a few staff who will draw up a plan to develop tourism. This will include seeking cooperation from the Tourism Authority of Thailand and the Trad provincial authority.

Because most tourists come to Koh Kong from Trad Mr Rong said he agreed in principle with Trad Governor Anan Anantachai over a plan to exchange officials to strengthen cooperation.

Koh Kong provides tourists with only one standard accommodation, Rim Chon resort, which has been developed by a group of Thai people from Trad province with a concession issued by Koh Kong authority.

In addition, Koh Kong authority is renovating an old resort comprising 16 bungalow units to add to the 11 units of Rim Chon.

A Thai businessman, Somphon Sahawat, is developing an international standard beach resort in Haad Sai Yao in Koh Kong province close to the border point.

Mr Rong said the project of Mr Somphon would comprise a beach resort and a golf course occupying a large area of beachfront land, for which he got the concession.

Mr Somphon is to build a road about eight kilometres long to improve transportation between the Thai border district of Klong Yai and Koh Kong province. Only boat transport is used at present because there is no road linkage.

Mr Somphon gets a logging concession in exchange for constructing the road. He will pay an annual fee and share profits from the resort's operation with Koh Kong.

a number of Thai businessmen have reportedly sought to enter into a joint venture with Cambodians to run a shrimp farming business in Koh Kong.

Koh Kong is rich in mangroves, which are suitable for both shrimp farming and charcoal production.

A few Thai people from Trad province have already operated businesses related to the use of mangroves in Koh Kong. Apart from the planned road construction of Mr Somphon, the Thai Government is implementing a plan to link the roads on both sides of the border to enable driving from Thailand to Koh Kong to Phnom Penh to Siem Riep.

There is only a need to build a 200-metre road to connect the roads of both countries at Chong Khao Wong. Construction by the Trad provincial highway department has already started.

"Phnom Penh is only about 300 kilometres from Koh Kong so this can be very beneficial. However, driving from here to Phnom Penh may take time because of poor road conditions," Mr Rong said.

Koh Kong and Phnom Penh, however, are linked by air transportation with a helicopter which operates four scheduled flights a week to and from the two cities.

The helicopter operates on Tuesday, Thursday, Friday and Sunday, and can take about 30 passengers. Although the service has been very popular, there is still no plan to increase services due to aircraft limitation. The use of other types of aircraft to take more passengers is still impossible because there is no airport in Koh Kong.

The place where the helicopter takes off is right in the city and looks more like an old disused rice field with an eight square metre one-storey wooden building to accommodate passengers.

Mr Rong said Koh Kong wanted a small airport to facilitate better and larger types of aircraft, preferably 60-seater aircraft.

A few Thai companies, including Fuldaa Industrial Group, have made approaches to build the airport, but Koh Kong authority is still under the consideration process especially concerning benefits to the concessionaire.

Fuldaa has won the right to renovate Po Chen Tong airport in Phnom Penh, and its development plans include the construction of another international airport in Cambodia's capital city.

"We still do not know what to offer to the company winning the contract because the airport project is expensive. Even logging concessions may not be enough to match construction costs," said Mr Rong.

The helicopter service is popular and preferred by both Cambodian and Thai passengers, because travelling to Phnom Penh from Koh Kong is much cheaper and easier.

The fare is \$124 round trip or \$62 for one-way. A one-way flight from Bangkok to Phnom Penh is \$400.

The helicopter takes about an hour and ten minutes from Koh Kong to Phnom Penh, but because it has no seats passengers have to sit on the floor or stand.

Thai people are able to get border passes in Koh Kong to travel to Phnom Penh, instead of spending time getting visas while in Bangkok.

Only Thai people will receive the privilege. Those of other nationalities can only stay in Koh Kong.

"We are willing to welcome people of all countries but the provision of border passes to Phnom Penh for Westerners has been cancelled just recently because the central government has ruled that they must obtain visas. But Thais can still enjoy the privilege," Mr Rong said.

## POLITICAL

### Status of PRC Citizens Clarified

92SE0233B Jakarta SUARA KARYA in Indonesian  
16 Jun 92 pp 3, 8

[Text] As a further step in the Memorandum of Understanding between the governments of Indonesia and the PRC concerning the legal status of PRC citizens in Indonesia, about 1,300 illegal immigrants from the PRC will obtain a PRC passport and permission to stay in Indonesia in the form of a KIM (Entry Permit Card).

The Memorandum of Understanding signed by Minister of Justice Ismail Saleh and PRC Minister of Justice Cai Cheng in Beijing on 4 May 1992 contains an agreement on four kinds of immigration problems of PRC citizens in Indonesia. First, the problem of illegal immigrants; second, PRC citizens who hold an Exit Permit Only (EPO) as a consequence of PP [Government Regulation] Number 10 of 1959; third, Chinese citizens who reside in Indonesia and who hold a Resident's Document (SKK A and B); and fourth, PRC citizens who are using a false passport or who are in Indonesia without valid documents.

In a statement made to reporters in Jakarta yesterday, Director General of Immigration Roni Sikap Sinuraya explained that illegal immigrants from the PRC whose legal status is to be settled in accordance with the agreement reached in the memorandum of understanding are those illegal immigrants who have already been indicted by the courts and who are in possession of a Requirement to Report Card. On 22 May 1992 Minister of Justice Ismail Saleh set up a team consisting of elements of the Directorate General of Immigration, of the Directorate General of KUMDANG [expansion unknown], of the Directorate General of the Board of Public Justice, of Bakin [State Intelligence Coordinating Board], of Bais [Strategic Intelligence Board], of Mabes ABRI [General Headquarters of the Armed Forces of the Republic of Indonesia], of Depdagri [Department of the Interior], of Deplu [Department of Foreign Affairs], of the High Court of Justice and of Bakorstanas [National Stability Maintenance Aid Coordinating Board].

Roni Sinuraya said that this team will examine the facts about each illegal PRC immigrant submitted by immigration offices in whose areas illegal immigrants have been found. The greatest number of illegal PRC immigrants have been found in Bandung (800 people), in Jakarta (300 people), in Surabaya (76 people) and in Semarang (30 people).

After the team has examined the facts about each illegal immigrant, the Director General of Immigration will make a recommendation to those concerned about the disposition of the immigrant's PRC passport in the PRC's Embassy in Jakarta. After he has received a passport, the Director General of Immigration will give the person concerned a residence permit in the form of a KIM. "This will be the duty of Mr. Martoyo, the Head of

the Residence Permit Subdirector, said Roni pointing out Martoyo, who accompanied him.

"After the PRC Embassy has given him a passport, an illegal immigrant's citizenship is clear. After the Directorate General of Immigration has given him a KIM, his presence in Indonesia is legal," said the Director General of Immigration Roni Sinuraya. Roni urged all illegal immigrants from the PRC to report to their local immigration office. "And Minister of Justice Ismail Saleh has stated firmly that he doesn't want this problem to be solved through any go-betweens," said Roni Sinuraya.

Roni affirmed that not a single one of the illegal PRC immigrants who obtain a passport would be deported to the PRC. "So, they don't have to be anxious or worry about the government's good intentions," he said, adding that as long as they didn't play any games, they would not be sent back to the PRC. "But, if they go against the law, we will take action against the citizens of any country and deport them, not just those from the PRC," said Roni Sinuraya.

Roni stated that the 1,300 illegal immigrants are those who entered the country clandestinely during the 1970s, after the political changes which followed the cultural revolution in the PRC. Some of them were fortunate in that the government of Hong Kong changed its policy and gave mainland Chinese the chance to enter Hong Kong.

He said that during the 1950s [as published] these illegal immigrants returned in great numbers to the PRC because they were attracted by PRC propaganda about the progress being made in that country. Later, there were some people covered by Government Decision 10 of 1959 and there were some who went back to the PRC because they were afraid after the G.30.S/PKI [Thirtieth of September/Communist Party of Indonesia] incident. "It turned out that after they had been in the PRC, what they faced was something completely unexpected and they tried to get back to Indonesia clandestinely," Roni said.

### Those Covered by Government Regulation 10

Touching on PRC citizens who were covered by Government Regulation 10 of 1959, Roni Sinuraya said that it is estimated that there are now 1227 of them left. In 1959 when the government issued government regulation number 10, about 140,000 registered to return to the PRC, but only about 40,000 did so.

The remaining 100,000 either died, or married Indonesian men and then became Indonesian citizens, or became naturalized citizens through Government Decision 13, or obtained an SBKRI [Proof of Republic of Indonesia Citizenship] through Presidential Instruction Number 2. "Therefore, according to 1986 statistics there were only 5000 PRC citizens left of those who were covered by Government Regulation 10. When the Minister of Justice issued a decree in 1987-1988 allowing them to obtain legal papers, about 3,500 registered and

took advantage of it. "So, as of 19 September 1988, the end of the period for obtaining legal papers, there remained only 1227 people covered by Presidential Regulation 10 whose presence in Indonesia was unclear," said Roni.

To solve the problem of those covered by Government Regulation 10, the governments of Indonesia and of the PRC have agreed that the government of the PRC will accept those who wish to return. Those who wish to remain in Indonesia will be issued passports by the PRC Embassy in Jakarta and they will then be given an SKK [Resident's Document] by the Indonesian government.

Roni Sinuraya stated that there are about 300,000 PRC citizens living in Indonesia. The solution to this problem is that the PRC government will recognize them as PRC citizens. The PRC Embassy in Jakarta will issue a passport to them if they wish to travel outside the country. Before the restoration of diplomatic relations between the two countries, they were issued identity papers in the form of a Republic of Indonesia Foreigner passport. In addition, those who want to become naturalized Indonesian citizens have to make a statement abandoning their citizenship in the PRC headed by the PRC Embassy in Jakarta.

#### Illegal

Roni Sinuraya said that the government of the PRC affirmed that it will not recognize as illegal residents of another country those citizens of the PRC who entered Indonesia illegally after diplomatic relations were reopened on 5 August 1990. Therefore, the government of the PRC will tighten up the issuance of passports, exit permits and re-entry permits for its citizens going to Indonesia, especially those from the provinces of Quang Xie, Quang Dong and Fu Kien in the southern part of China.

The government of the PRC has also asked the Embassy of the Republic of Indonesia in Beijing to be more careful about issuing visas to citizens of the PRC who are going to Indonesia. In addition, the governments of the two countries agreed to cooperate through regular meetings in handling immigration cases which have arisen since the restoration of diplomatic relations.

#### Islamic Intellectuals Big Influence on Politics

92SE0319A Jakarta SUARA KARYA in Indonesian  
3 Jul 92 p 3

[Text] Jakarta (SUARA KARYA)—The activities of the ICMI (Indonesian Muslim Intellectuals Association) are having a big impact on politics. For that reason, ICMI members are not issuing statements that could hurt the Islamic community or the general public.

"This situation demands maturity on the part of the ICMI and the people behind it. Moreover, because of the growth of the Islamic community, Islamic leaders themselves must realize their strength," ICMI General

Chairman Prof. Dr. B.J. Habibie said Wednesday night [1 July] at Hotel Indonesia in Jakarta when he opened the ICMI National Coordination Meeting.

Habibie said his statement should not be misconstrued to mean that the ICMI is thinking only of its own community, for a good Islamic community is one that does not consider its own interests alone. He warned that the ICMI is not going to die and that no one can stop its activities, because all that the ICMI does is in the interests of the Islamic community and Indonesian society. The strength of the ICMI, which gives priority to the principles of openness and truth and to avoiding injury to other groups, cannot be nullified by any person or any group.

Habibie sees that one of the tangible results of the ICMI's struggle is that the Indonesian people are bolder and more confident in activities based on Islamic teachings. The ICMI must contribute its thoughts and views to the establishment of the next GBHN [Broad Outline of State Policy]. Although the ICMI does not participate in politics, Habibie said that "we must be grateful if the 1992 general elections ensure that national development, both physical and nonphysical, will continue peacefully."

The ICMI must also prepare and teach the Islamic community and the Indonesian people to overcome their backwardness in technology through improving the quality of their religious faith. This is important, for technology will give added value to what the Indonesian people produce. "Furthermore, the Koran is not a destructive hindrance, but provides motivation for seeking technology," Habibie said.

High technology needs to be made part of our culture so that the Islamic community will not be surprised by rapid technological developments. The ICMI can contribute to this by helping the younger generation to understand the importance of acquiring technology. Quoting President Suharto, Habibie said, "We must not let the ICMI program fail, because that would disappoint the Islamic community, which makes up 80 percent of Indonesia's population."

#### Golkar Working on Issues for State Guidelines

92SE0307A Jakarta SUARA KARYA in Indonesian  
16 Jun 92 pp 1, 11

[Text] Yesterday Golkar's [Functional Groups Organization] DPP [Central Executive Board] held its first plenary meeting since June 9th's general elections. After the meeting, which was led by General Chairman Wahono, Engineer Rahmat Witoelar, secretary general of Golkar's DPP, stated that the four-hour-long discussions at the plenary meeting stressed efforts to compile a draft of the GBHN [Broad Outlines for the Nation's Direction] to be presented to the General Session of the upcoming MPR [People's Consultative Council]. In the opinion of the plenary meeting the general elections were carried out in an orderly and smooth fashion.

In response to a question, Rachmat Witoelar stated that the meeting stressed Golkar's revamping of its ideas on the GBHN because they will be very important for the future of the nation and the State.

This is the fourth time that Golkar's DPP has examined the basic ideas of the GBHN in various cities. At the end of June the content of the GBHN will be examined and looked at more deeply. In this examination, the most important consideration will be input based on the people's aspirations obtained during the campaign.

When asked for his reaction to President Suharto's decision to hand the compilation of the 1993-1998 GBHN completely over to the sociopolitical forces in the MPR, Rachmat Witoelar stated his belief that the president's decision is a new practice in the development of democracy, and one that should be supported by every sociopolitical force.

Rachmat believes that handing the compilation of the GBHN over to the sociopolitical forces is a great advance in raising the level of democracy and in giving the sociopolitical forces a deeper significance as conveyors of the people's aspirations. The compilation of the GBHN by the sociopolitical forces rather than by the government is to be considered a step forward for democracy.

Rachmat Witoelar, Golkar's secretary general, is convinced that the GBHN document drafted by Golkar will be accepted by a majority vote in the MPR's General Session and that it will become the 1993-1998 GBHN.

"Golkar will make every effort to draft a GBHN document which will succeed in becoming the 1993 GBHN at the general session," he said. He stated that Golkar's version of the GBHN document, in preparation for more than three years, will be supported by the other factions because its ideas are superior and it is better argued.

Ismail Hasan Metareum, General Chairman of the PPP [United Development Party], in a separate statement, said that he welcomed President Soeharto's decision and that it was a step in tune with the times and in line with the PPP's struggle.

Handing the responsibility for creating a GBHN over to the sociopolitical forces, he said, will make the sociopolitical forces have real programs; up to now, the PPP, Golkar and the PDI [Indonesian Democracy Party] have in general relied on a GBHN which originates in the ideas of the president.

#### Honorable

Rachmat Witoelar said that the general elections were discussed but not deeply. After listening to several reports from members of the DPP, the session concluded that Golkar had carried out its national task in an orderly and smooth fashion. Golkar's victory in the general

elections was an honorable victory. Golkar expressed its thanks to those who voted for it for the trust that they had placed in Golkar.

The decrease in the percentage of votes gotten by Golkar in several provinces was considered a challenge for future efforts to increase the development and life of Pancasila [five principles of the nation] democracy.

Rachmat Witoelar said that the general elections showed an increase in the quality of Indonesian democracy. In casting their vote, the electorate made a determination on the basis of political awareness. He was happy that in Jakarta, the barometer of political life, Golkar succeeded in gaining a more convincing victory than in the previous year.

Rachmat said that the decrease in Golkar's seats in Central Java and in East Java is very significant because although the absolute number of seats competed for in those two provinces was very large, in terms of percentages it wasn't very large since Golkar still holds an absolute majority.

He also admitted that in the provinces in which there are local problems involving a disharmony between the government and the people the number of votes for Golkar tends to decrease. In the future Golkar will increase its role of social control for the government so that their relationship stays harmonious and so that Golkar is not damaged by it.

Rachmat Witoelar said that the younger generation is still supporting Golkar. In several polling places in Jakarta dominated by the younger generation he observed that Golkar scored an absolute victory. In several large cities the younger generation's support for Golkar was also very great. He guaranteed that Golkar would continue to give the highest priority to the younger generation.

#### Comments on Golkar's Dependence on ABRI

92SE0303A Jakarta MERDEKA in Indonesian  
16 Jun 92 pp 1, 11

[Text] Jakarta, MERDEKA 15 June—The decline in the number of votes obtained by Golkar [Functional Groups party] in the general elections of 1992 was caused by the fact that this very large organization is too dependent on ABRI [Indonesian Armed Forces] and the government bureaucracy. As a result, Golkar officials do not learn to depend on themselves. In addition to that the people are beginning to be willing to express their innermost views without being concerned about pressure from anyone.

This was the conclusion of an interview conducted by MERDEKA on 15 June with two political observers. They were: Dr. Masti Pencawan, director of the Institute for Community Study and Research, and Dr. Cornelis Lay, a teacher in the Faculty of Social and Political Science of the University of Gajah Mada in Yogyakarta.



Dr. Masty Pencawan said: "The lack of a program for training Golkar officials is not unrelated to its dependence on the influence of the ABRI and the bureaucracy. If Golkar officials feel that they need additional support, they ask ABRI for it. If they feel that they are short of funds, they ask the government. Ultimately, this attitude does not develop a feeling of self reliance among Golkar officials. In the view of Golkar officials, there is always the view that they will be helped by ABRI and the government, so that they have no fear of being defeated."

He stated: "This is a weakness which I see as an organizational matter."

According to Dr. Masty Pancewan, while he saw weakness during the pre campaign and campaign period of the past general elections, during the campaign Golkar carried on social service activities among the people. Golkar feels that the people regard its social service activity as truly coming from Golkar. However, in fact the people know that this social service activity is help from the government. This is because there is a feeling among the people that Golkar is the government. Furthermore, Golkar often claims that this kind of development activity is due to its own efforts.

Dr. Masty Pencawan stated: "The decline in the number of Golkar candidates elected in the last general elections is not unrelated to the fact that its officials have not been fully trained. And even when its officials are trained, this is not done in an organized way. Furthermore, party leaders emerge suddenly into prominence. This does not promote ambition in the younger generation."

According to the experience of this former organizer of the BP-7 [Pancasila—Five Principles of the Nation—Development and Education Board] in Jakarta, the people have really had enough of Golkar. Furthermore, the attitude of government officials, particularly in the services sector, often irritates the people. For example, the charge for issuance of a Resident's Identity Card (KTP) has been fixed by the government at 1,000 rupiahs. However, officials charge the people 5,000 rupiahs for them.

#### **TVRI [Indonesian Television]**

Another matter which has reduced the number of Golkar election victories, Doctor Masty says, is the excessive amount of attention paid by Indonesian Television to Golkar during the election campaign. This kind of behavior specifically reduced the sympathy of the people for Golkar, because the people clearly know that what was done by Indonesian Television was unjust.

So why is Golkar still able to continue to be regarded as the winner of the election, when its total vote declined? Dr. Masty Pencawan stated firmly that the people feel that political stability and security are ensured by a Golkar victory. National development in a physical sense is moving smoothly in accordance with the APBN [state budget], although here and there waste occurs.

Late in the campaign Golkar was supported with extraordinary funds. It was able to attract the sympathy of the people through the use of these funds, although this sympathy was deceptive. In addition, direct assistance to Golkar from government officials at the lower levels of the administration, that is, village and hamlet chiefs, was no accident. Another advantage for Golkar was that civilian government officials voted at TPS [election booths] near their offices. Another circumstance which cannot be forgotten lies in the fact that the Golkar victory occurred since this very large organization has been active in the pesantren [Muslim religious training centers], by providing funds or having government officials make numerous visits to them.

Dr. Masty Pencawan himself suggested that for Golkar to continue to be a winner in the future, the training of its officials must be improved. That is officials must be trained to lead the organization, while the number of leaders who arrive suddenly in a given district is reduced.

#### **Neutral Attitude**

Dr. Cornelis Lay, a teacher at the Faculty of Social and Political Science at the University of Gajah Mada, said that the decline in the number of votes obtained by Golkar and the increase in the national vote total of the PDI [Indonesian Democracy Party] in the 1992 general elections is also related to the neutral attitude of Rudini, chairman of the General Elections Board (LPU).

Lay declared: "Rudini's neutral attitude had an impact on the lower levels of the government bureaucracy. They no longer dared to threaten the use of force, as happened in previous general elections. Although improper activity by the bureaucracy did not disappear completely, it was clearly time for such efforts by government officials to end."

The impact of all of these conditions was that it became apparent that the people in the various regions were increasingly willing to express their inmost thoughts, and another group of people were unwilling to accept threats of force from anyone.

In addition to the atmosphere which supported these developments the performance of the PDI in the general elections was very solid and presented few problems.

Dr. Cornelis Lay said: "This is the first time that the PDI has appeared to be the leader in the political history of Indonesia since the fusion of the various political parties in 1971."

However, the importance of the PDI's standing free of party conflicts is not the result of attracting first time voters. Rather, the PDI can devote its thinking and limited funds to conducting a sensible strategy.

According to him, the increase in votes for the PDI is also due to the fact that they presented themselves as the party of the economically underprivileged or poor people.

Dr. Cornelis Lay said: "The PDI went too far during these general elections in describing itself as a party which claims to side with the poor or ordinary people. The party describes itself as the party of the poor and economically weak."

This is because, according to Doctor Lay, there is a tendency for the people to get tired of hearing about unending, social problems. For example, from Mekatama Raya, who is the chief of TV contributions, the BPPC [Carita Beach Camping Fund], and the question of handling the distribution of orange juice. As a result, among first time voters, who totaled 18 million in 1992, there was a tendency not to support Golkar. This is particularly true since Golkar has identified itself as the party of the government, although not long ago they said that they could stand on their own, free of the government bureaucracy and the ABRI.

He considered that the efforts of Guruh Sukarnoputra [the late President Sukarno's son] and Megawati Soekarno [Sukarno's daughter] also reminded people of the late President Sukarno. As a result, it was understandable that incidents could occur like those in Kupang, East Timor, and South Sulawesi where several thousand Golkar supporters, on their way home from the election campaign, returned to the field wearing red socks and who only wanted to listen to the voices of the children of President Soekarno.

It was the view of Dr. Cornelis Lay that the mistake made by the PDI on this occasion was its working only in areas which were strongholds of the former PNI [Indonesian National Party], failing to consider the development of the PDI into a party on a national scale.

He said: "In any country a political party will never win if it claims to be a party from just one area, without claiming to be a national party."

#### Training of PDI Officials

Apparently, Dr. Masti Pencawan agreed with Dr. Cornelis Lay that the activities of the children of the late President Soekarno were very significant in the increase in PDI voting strength.

Dr. Cornelis Lay said: "This was proved in the electoral districts of the Provinces of Central and East Java, where the two children of President Sukarno were candidates for the legislative councils. In those districts the PDI vote increased sharply."

However, there were also other, conspicuous weaknesses. In addition to a lack of funds, the training of officials in the party with the symbol of the buffalo head [Golkar] is still very inadequate, particularly in the villages. The training of party officials is affected by laws

and regulations which limit political party activities in the villages. However, another weakness which made the PDI the only party to obtain so many votes is that this party is always criticized for being involved in unending crises.

Whatever the case, according to Dr. Masti Pencawan, a matter which needs to be considered to ensure a future victory for the PDI is that during the periods before and during the election campaign the PDI should never allow its strength to appear or to be shown.

During the general election campaign of 1992 Dr. Masti Pencawan thought that the PDI was too hungry for power. This caused other opposition political parties to prepare themselves more carefully.

Meanwhile, Dr. Masti Pencawan said that the PPP [Development Unity Party] did not increase its vote very much, compared with the general elections of 1987. This was because this party, which uses the symbol of the star, has no leaders who can be idols of the people, and especially of the younger generation.

He said: "However, traditional voters are still their main advantage."

During the general elections campaign of 1992 the PPP did not suffer the kind of attacks it suffered from in 1987, when leaders of the NU [Muslim Scholars political party] carried out a campaign to eliminate its influence. However, the source of weakness in the PPP, apart from the fact that it did not have enough funds, was that PPP party officials no longer knew what they had to fight for. For example, if there was a discussion about religious development, Golkar was there first. Subsequently, the traditional base of the party, like the religious schools, was being worked on by Golkar all day long.

#### DPR Speaker Says Militarism Will Not Be Tolerated

92SE0303B Jakarta MERDEKA in Indonesian  
16 Jun 92 pp 1, 11

[Text] Militarism in Indonesia will be opposed to the end by the people. It is the ABRI [Indonesian Armed Forces] which has the first duty to prevent the emergence of militarism, because it is in conflict with the Sapta Marga, the basic charter of ABRI.

This was stated by Kharis Suhud, the chairman of the DPR [Parliament], in his speech opening Session IV of the 1991-1992 sitting of Parliament in Jakarta on 15 June.

According to Kharis Suhud, foreign sources he mentioned state that democracy in Southeast Asia is facing a test and is very weak.

Kharis Suhud said that this view is based on the situation in several countries of Southeast Asia recently.

He added: "The focus of their attention is centered on military interference in political life which, according to them, is clearly in conflict with democracy."

Speaking in a veiled way, Kharis Suhud said that this view leads to the conclusion that sooner or later democracy in Indonesia will meet the same fate as in the countries which they were speaking of. In their view the dual function of ABRI in political and military affairs will finally lead to militarism.

He said: "This is the sense of what they are saying."

However, Kharis Suhud said further that with its concept of a dual function the Indonesian Armed Forces are sharing responsibility in the development of Pancasila [Five Principles of the Nation] democracy. In that way also the Indonesian Armed Forces have the confidence of the people, so that they are able to join in creating national stability, such as we have all enjoyed until the present.

Through its dual function the Indonesian Armed Forces wish to contribute something useful as a service to the nation and the state. Here, he said, the emphasis is placed on service, and not on power. Pancasila democracy has special, Indonesian features which do not compare well with other nations.

On this occasion Kharis Suhud mentioned the matter of the conduct of the recent general elections, which were more mature and orderly, compared to previous general elections.

He added: "With the completion of the general elections, this does not mean that the major tasks have come to an end. Major tasks have just been postponed, beginning with the preparation of legislation on how members of Parliament are elected to preparation for the forthcoming general session of the MPR [People's Consultative Council]. In addition, what is even more important is the completion of the programs advocated during the campaign by the three OPP [political organizations participating in the elections]."

Kharis Suhud also mentioned his personal feelings about the practices of some voters which caused the death of persons, which really did not need to happen.

In that connection he thought that in the future it would be necessary to consider better campaign standards, compared to the practices in the recently conducted campaign.

He declared: "The conduct of the 15 June campaign, as it appeared outside of Indonesia and which we witnessed, only involved mobilizing the people and showed a lack of self control."

Kharis Suhud added: "In this connection social and political forces, as the basic capital of development, should function as the spear point of political education,

so that the people will truly be aware of the proper political meaning of the implementation of Pancasila democracy."

## ECONOMIC

### Reviewing Implications of AFTA

92SE0309B Jakarta *SUARA KARYA* in Indonesian  
18 Jun 92 p 2

[Text] Indonesia could just become a very profitable market for the other ASEAN nations if it is unable to take advantage of the opportunities resulting from the creation of AFTA (ASEAN Free Trade Area). Therefore, as soon as possible Indonesia should learn the possible consequences of welcoming AFTA and through increases in efficiency should determine to take advantage of the opportunities offered so that Indonesian development can get a significant impetus from ASEAN cooperation.

Opening the Fourth ASEAN High-Level Conference on Putting Products on the Market for top-level officials held at the LAN (State Administration Society) PUSDIKLAT [Research and Training Center] in Jakarta yesterday, Minister of Trade Arifin Siregar gave a comprehensive explanation of the results of that High-Level Conference. All ASEAN nations are committed to eliminate all quantitative limitations on products which enter into the CEPT [expansion unknown] scheme, all regulations limiting foreign exchange which are tied to payment for products which enter into the CEPT scheme, and the repatriation of those payments in accordance with GATT and IMF stipulations.

Products covered by the CEPT scheme are all manufactured products, including capital goods, processed agricultural products, and all products outside of the definition of agricultural products, except the service field. The tariff-reduction process in the CEPT scheme will be carried out in stages over 15 years, starting from 1 January 1993. In this period import duties in effect in all ASEAN member nations will gradually be reduced to 0-5 percent.

All ASEAN member nations must submit their tariff-reduction programs before 1 January 1993. After that, the tariff in effect for intra-ASEAN trade will automatically refer to that program.

### Competitive Ability

This situation will have a broad effect on the economies of the ASEAN nations, including Indonesia. Indonesian products must therefore be prepared to face competition in the ASEAN market, which, in principle, is based on market mechanisms.

Arifin said that production must be efficient so that it can face competitive challenges and must grasp the opportunity to serve a wider consumer base. Government agencies directly responsible for finance and banking, trade, transportation, agriculture, forestry and

mining, especially in the area of developing production, must have a complete understanding of existing problems and must prepare themselves to face these problems as soon as possible. This is also true of agencies whose role it is to provide support for the competitive abilities of domestic business; for example, the land, provincial administration, electricity, and telecommunications sectors must increase the efficiency of their services.

"If efficiency is not increased, Indonesia, with its 185 million people, could just become a very profitable market for the other ASEAN nations," said Arifin Siregar. He said that there is an opportunity for Indonesian exporters to increase their consumer base to 330 million people. This additional consumer base of 150 million relatively high-income people will be very significant for marketing Indonesian products.

In welcoming AFTA, Indonesian businesses expect guidance, aid and facilities from all levels of government in raising their competitive abilities so as to take full advantage of the ASEAN free market. This much-needed program is an effort to create efficient producers, both regionally and globally, who in turn will spur an increase in the economic prosperity of ASEAN societies.

#### **Finance Minister on Foreign Debt Payments**

92SE0309A Jakarta *SUARA KARYA* in Indonesian  
16 Jun 92 p 1, 11

[Text] Payments of interest and principal on Indonesia's foreign debts decreased in the 1991-1992 fiscal year and are only 93.3 percent of the amount budgeted. This means that Indonesia was able to save at least 947 billion rupiahs.

At the same time, there were additional revenues of 1.438 trillion rupiahs above what was budgeted for the 1991-1992 fiscal year. However, expenditures also increased by 1.436 trillion rupiahs. Therefore, there was a budget surplus of 2.1 billion rupiahs in 1991-1992. Government savings also increased by 1.731 trillion rupiahs in 1991-1992.

These are some of the figures taken from the Additions and Changes to the 1991-1992 State Revenues and Expenditures Budget (T/P APBN) revealed by Minister of Finance J. B. Sumarlin, acting as government representative at the plenary session of the DPR RI [People's Consultative Council of the Republic of Indonesia] held in Jakarta yesterday. Accompanied by Junior Minister for Finance Nasrudin Sumintapura and the directors general of the Department of Finance, Sumarlin also laid out the State Budget Figures for the 1989-1990 Fiscal Year.

Payments of interest and principal on foreign debts for 1991-1992 were budgeted at 14.129 trillion rupiahs. It turned out that they were actually only 13.182 billion [as published] rupiahs, or about 93.3 percent of the amount

budgeted in the main APBN [State Revenues and Expenditures Budget]. Because of that decrease the government was able to save 947 billion rupiahs which were supposed to be used to pay the interest and principal on those debts.

Sumarlin said that the reason for the lower actual payments of interest and principal on those debts was because some of the world's strong currencies appreciated less against the American dollar than had been expected. This happened because the United States economy, which had been hit by a recession, began to improve, especially in the second half of 1991. In that way, there was a decrease in the value of the debts which Indonesia had to repay in non-US dollars.

There was an overall budget surplus (SAL) of 2.1 billion rupiahs in the 1991-1992 APBN. The 1991-1992 APBN, projected to balance out at 50,555.5 billion rupiahs, actually showed State revenues of 51,993.9 billion rupiahs, or a revenue surplus of 1,438.4 billion rupiahs. However, state expenditures also increased by 1,436.3 billion rupiahs to 51,991.8 billion rupiahs. It was these changes in revenues and expenditures which produced a budget surplus of 2.1 billion rupiahs.

#### **Government Savings**

Domestic revenues reached 41,584.8 billion rupiahs, compared to the 40,184.0 billion rupiahs projected in the budget. On the other hand, there were some savings in routine expenditures, which were only 30,227.6 billion rupiahs, or 330.2 billion rupiahs less than projected in the main budget. "This development enabled the government to put aside savings of 11,357.2 billion rupiahs," said Sumarlin. Since the APBN had only targeted government savings of 9,626.2 billion rupiahs, this means there was an increase of 1,731 trillion [as published] rupiahs.

It was estimated that there were actually 10,409.1 billion rupiahs in development revenues compared to the original target figure of 10,371.5 billion rupiahs. With this increase, available development funds also rose to 21,764.2 billion rupiahs, an 8.8 percent increase over projections in the main budget.

In a more detailed explanation of the figures, Sumarlin stated that oil and natural gas revenues reached 15,039.1 billion rupiahs, 0.2 percent higher than the target figure. "This increase was caused mainly by a change in the value of the rupiah and by an increase in production of natural gas and of volume exported compared to the original projections," said the Minister of Finance.

#### **Nonoil and Gas Revenues**

Nonoil and gas revenues also exceeded the target; they amounted to 26,545.7 billion rupiahs, or 1,370.5 billion rupiahs over the target. This increase was supported mainly by an increase in taxes, especially the Income Tax (PPh), the Value Added Tax (PPN) and the Property Tax on Land and Improvements (PBB). These tax

increases reached 2,297.4 billion rupiahs, or 13.4 percent higher than targeted. Of these three taxes, it was the PPh which made the largest contribution, increasing by 1,559.5 billion rupiahs, or 19.4 percent over the original target. In addition to successful taxation intensification and information, the increase in the PPh is the result of regulations levying the PPh on the interest on deposits and savings.

There was an increase of 702.1 billion rupiahs in the PPN. This was mainly caused by a PPnBM (Sales Tax on Luxury Goods) rate adjustment on certain luxury goods which went into effect on 1 January 1992. The rise in the PBB to 35.8 billion rupiahs, or 4.3 percent over the target, was also very pleasing. In addition, revenues from customs duties also rose by 7.9 billion rupiahs.

Nevertheless, some types of nongas and oil revenues, such as import duties, export taxes, other taxes, and nontax revenues, declined. The 17.1 percent decrease in import duties was caused by a decrease in the flow of imported consumer goods subject to import duties.

#### Export Taxes

Export taxes showed the most drastic decrease. Originally targeted at 121.3 billion rupiahs, estimates are that they will reach only 18.8 billion rupiahs, a decrease of 102.5 billion rupiahs. "The failure to reach the export-tax target is closely connected to a shift in the type of goods exported, which are tending towards finished goods or industries not subject to the export tax," Sumarlin explained.

Revenues originating abroad also increased. Development revenues actually reached 10,409.1 billion rupiahs, an increase of 37.6 billion rupiahs. This figure consists of program aid, which increased by 1.7 percent to 1,563.4 billion rupiahs, and project aid, which reached 8,845.7 billion rupiahs, 0.1 percent higher than projected.

#### BBM [Fuel Oil] Subsidies

The government succeeded in keeping routine expenditures down; it is estimated that they were only 30,227.6 billion rupiahs, or 1.1 percent lower than projected. One of the reasons for the decrease in routine expenditures is the decrease in the payment of interest and principal on foreign debts already mentioned.

Besides that, BBM subsidies were also less. Budgeted at 1,187 billion rupiahs, they actually turned out to be only 1,029.7 billion rupiahs, or 86.7 percent of projections. Sumarlin explained that the decrease in BBM subsidies was closely connected to the BBM domestic price adjustment of July 1991. However, BBM subsidies must continue to be made available because domestic consumption of BBM and imports of BBM products are both increasing.

In addition to BBM subsidies, expenditures which increased included bureaucratic spending, purchasing of

goods, and subsidies for autonomous regions. It is estimated that bureaucratic spending in 1991-1992 was 8,102.5 billion rupiahs, or 4.5 percent higher than originally projected. Subsidies for autonomous regions increased by 3.7 percent to 4,834.2 billion rupiahs. Purchasing of goods also went up, reaching 2,372.7 billion rupiahs, an increase of 7.8 percent.

Routine expenditures were not the only ones to increase; development expenditures also went up. They went up by 1,766.5 billion rupiahs, an increase of 8.8 percent. These increases consisted of 12,918.5 billion rupiahs in rupiah funding, an increase of 15.7 percent, and project aid funding of 8,845.7 billion rupiahs, an increase of 0.1 percent over main APBN projections.

Speaking about the Figures for the 1989-1990 State Budget, Sumarlin mentioned that revenues reached 39,834.5 billion rupiahs. This breaks down into routine revenues of 31,504.2 billion rupiahs and development revenues of 8,330.3 billion rupiahs. Expenditures consisted of 24,335.2 billion rupiahs for routine expenses and 15,393.9 billion rupiahs for development expenses. Total expenditures were 39,729.1 billion rupiahs. The 1989-1990 budget surplus from these figures was therefore 105.4 billion rupiahs.

#### Writer Says Logistics Board Still Needed

92SE0302A Jakarta MERDEKA in Indonesian  
16 Jun 92 p 8

[Article by Murdifi A. Fattah: "Food Situation Affects Social and Political Life"]

[Excerpt] [passage omitted] At the beginning of the New Order, rice was the key to Indonesian economic stability, because food, especially rice, was the main food of the people. Almost two-thirds of the money spent by the people in urban areas was for rice.

Statistics show that 90 percent of the Indonesian people eat rice, which supplies 50 percent of the calories and 50 percent of our protein requirements.

For that reason, the rice situation is a true barometer of whether daily necessities are being supplied. Rice cannot be ignored, because rice price confusion would invite economic instability through the influence of rice prices on inflation and on demands for higher wages. These, in turn, would produce social unrest and political disarray.

At the inception of the New Order, the Logistics Board (BULOG) was created as a government agency and tasked with national logistics management. Its objective was prevention of price fluctuations. It did this by guaranteeing sufficient supplies to support economic stability.

It is not surprising, therefore, that some people blame BULOG when food is scarce, food prices go up, or the basic price paid to farmers for rice drops.

### Pro and Con

The pros and cons of BULOG's status as the only agency managing national logistics have recently been much discussed by intellectuals, experts, and legislators.

One humorist pictures a logistics expert as one who is always in a tight spot. He is needed only in times of war and is "put in a cocoon" in times of peace. In short, the logistics expert profession is pictured as an "unenviable" one. If he should become a "senior executive," he cannot eat tasty food because he suffers from stomach trouble.

The author "Sine Nonnime" profiles the "BULOG logistician" as a person who is always wrong. If prices are low, farmers are angry that he does not act fast enough. If prices go up, consumers complain that he does not respond.

When a basic rice price increase is announced and prices of consumer goods rise, it is his fault. If it does not rain, the dry season is long, and prices go up, he is to blame.

If there is a west wind, or rice transportation is late, it is because of him. If they are slow unloading rice because the workers are celebrating a holiday, it is his fault. If production is great so that there is overstock and warehouses are full, that, too, is his fault.

Because he is always wrong, he constantly stresses his brain, suffers headaches, scratches his head, and becomes prematurely bald.

Differences of opinion, pro and con, over whether BULOG is still needed for the food situation are natural in a climate of democracy like Indonesia's.

An interesting point that needs to be underlined was expressed by government economic adviser Widjojo Nitisastro in a recent BULOG food seminar in Jakarta. He noted that a mechanism to ensure that Indonesian food supplies reach a certain target is a type of price intervention that plays a very large role in improving production. Consumer interests need to be protected carefully, and we should not hastily discard the mechanism before having a truly good replacement.

He said the current system has been studied for its weaknesses and strengths and for ways to increase its strengths.

The point made by the minister of state for national development planning, who is also chairman of BAP-PENAS [National Development Planning Board], is true. Countries in Western Europe and North America, especially Canada and the United States, whose market mechanisms are allowed to move as they will without their governments' doing anything, in actuality intervene in exceptional ways under certain conditions.

Because of the characteristics of the international rice market, even a superpower like Japan feels it would be a

problem if it had to depend on imports. Therefore, Japan insists it will continue to produce rice domestically despite the high subsidy.

Japan has consistently fought for this policy. In the GATT Uruguay round, for example, where Japan has taken a position of full support for trade liberalization, it excludes commodities related to a secure food supply. Therefore, Japan proposes special treatment for its rice, which shows how a country well known for adhering to the principle of "comparative advantage" as the main principle for its investment policies can ignore that principle for the sake of rice.

### Link

In Indonesia itself, the link between food and national resilience is not a new phenomenon. The political and economic crises in the mid-1960's are an indication of how food is linked to national stability and how rice is a barometer of economic stability.

There have always been many citizens, experts, and businessmen who feel that the food sector (sugar, flour, and soybeans) should be deregulated so that these commodities, which BULOG has been handling, can be handed over to market mechanisms.

Such deregulation needs to be done carefully and with much thought. We found in the past that despite our delegation of sugar marketing to a business syndicate of nine merchants, sugar price stability was not achieved. It turned out that the merchants appointed by the government to manage sugar engaged in price speculation.

An important policy since the early 1980's has been the government's use of sugar to hasten growth of cooperatives, particularly village unit cooperatives (KUD's).

Besides making generous allocations to cooperatives, the Association of Sugar and Flour Distributors also supported KUD's in various ways. Consequently, it is hoped that the KUD's will be self-sufficient and not need government help.

BULOG's involvement in supporting cooperatives and private business has shown gratifying success. This involvement is based on the consideration that BULOG is an institution with the access needed to improve the capabilities of cooperatives and private businesses, particularly those operating in the food sector.

As an example, the KUD's are involved in the national food supply to the extent that more than 90 percent of our rice comes from the KUD's and their farmer members.

BULOG figures show that the KUD's role in national food supplies is bigger than that of other cooperatives and BULOG task units.

BULOG still needs to be realistic in the way it looks at these figures, however, for the fact of the matter is that although the KUD's have the biggest role in the national

food supply, the KUD's get much of their supply from merchants and non-KUD businesses that work with the KUD's.

Monitoring of several food production areas, particularly in Java, shows that most of the national food supply comes from other cooperatives and groups of merchants who sell or channel supplies to local DOLOG's [Logistics Depots] through the KUD's.

From the aspect of economic cooperation between KUD's and third parties, there is no loss to the KUD's, because these village economic institutions make a profit from fixed fees paid by merchants.

From the aspect of developing the KUD's, however, what has been taking place does not help them. It is possible that at some moment the KUD's who have been going into the field will do the same thing as the KUD's who work without effort by getting food supplies from third parties and collecting fixed fees from them.

#### Price Stability

An important matter that should be noted is that although BULOG is the only institution tasked with managing the national food supply it has never exercised a monopoly in rice marketing.

From 1969 until now, BULOG has absorbed only 5 to 6 percent of total production and has distributed about the same quantity. The remaining 95 percent is handled by free market mechanisms.

The effectiveness of controlling supply and demand can be seen in the degree of price stability maintained, first, between harvest seasons and, second, from year to year.

The purpose of price stability between seasons is to control price fluctuations caused by uneven distribution of harvests throughout the year. Without this price stability between seasons, prices would fall at the height of harvest and rise drastically between harvests.

The second aspect of price stability is stability from one year to the next. This is related to BULOG's ability to protect domestic prices from fluctuations in international prices. BULOG's general agenda for price stability between places and from one time to another has been very successful.

It is true that BULOG has been successful in performing the duty assigned by the government in handling the food supply. Nevertheless, its policy orientation always needs to be adapted to developments, and its organization needs constant improvement so that it will be effective in dealing with current issues and able to anticipate eventualities.

There are several lessons we can learn from BULOG's experience in managing food price stability from 1985 to 1990. The cost of processing rice stockpiles produced by rice surpluses in 1984 and 1985 was very great, greater than BULOG's ability to pay.

Moreover, because there was no domestic market outlet, BULOG was compelled to dispose of the stock overseas. When Indonesia plunged into the unrestricted international rice market, the effect was great. World rice prices fell drastically, although most of the rice from Indonesia was lent to Vietnam and the Philippines.

According to BULOG data, the rice Indonesia exported during that period reached about 1 million tons, whereas rice imported from abroad until now has been less than 500,000 tons.

On the other hand, market operations to keep down retail prices from 1985 to 1990 encompassed an annual average of only 200,000 tons. The largest part of this rice distribution was for food allowances for civil service employees and members of the Armed Forces.

Being guided by experience, "price policies" since 1986 have been directed toward providing balance between production and demand, including supplies from government stockpiles.

The adding of jobs and functions to BULOG requires a more effective management and information system. Such a system is needed to manage big stocks, big costs, and complex administration, all with the current number of employees.

Facilities to support such a system needs to be enhanced from the aspect of hardware as well as software. With such a system, BULOG could get the information it needs for its functions and jobs more quickly, thus enabling price control to be more effective.

Although rice market conditions are steadily improving, the existence of a "food institution" is still much needed to stabilize prices at the producer level and to ensure the security of the food supply.

Even developed countries such as the United States and Japan need institutions to handle their surplus rice. President Aquino's experience in fighting a rebellion with an urban warfare policy, or economic embargo, at the time of the Gulf Crisis shows the importance of a country's food security. This is particularly true of Indonesia, with its thousands of islands.

Just how much longer a national food institution like BULOG will continue to be needed is up to the government, and we are confident the government will decide each step wisely.

#### Writer Says Energy Diversification Needed

92SE0295B Jakarta ANGKATAN BERSENJATA  
in Indonesian 9 Jun 92 p 4

[Article by Engineer Atep Afia, a graduate of Padjadjaran University: "Energy Source Diversification and the Nuclear Dilemma"]

[Text] There is no other choice. Because our oil and gas deposits are approaching the critical point, efforts to

diversify energy sources must be made as soon as possible. It is true that at this moment oil and gas deposits in our country are still extensive, but calculations show that they are sufficient for only another 30 to 35 years. Conditions in which oil and gas will disappear from our national territory will indeed take place, for oil and gas resources are not renewable.

We cannot, of course, merely fold our hands as we wait for an oil and gas shortage. There are several steps that can be taken: Look for new oil and gas reserves; conduct a national energy conservation campaign; and diversify energy sources.

It is true that we do not know exactly the extent of oil and gas deposits in the bowels of the earth of the archipelago. There are only predictions or estimates. Many deposits remain untouched. Energy conservation actions include use of cars that burn petroleum fuels supereconomically or use of vehicles that require no fuels at all (bicycles). Fuel economy programs have the positive external effect of reducing air pollution. Such actions thus support clean air programs.

#### **Diversification**

The next step to be taken in anticipation of scarce oil and gas is diversification. In other words, dependence on oil and gas would be reduced by use of various other feasible energy sources, such as solar power, wind, ocean waves, peat, coal, and nuclear power.

Research will of course be needed before entering into the phase of alternate energy sources. In this aspect, the universities, the BPPT [Agency for Study and Application of Technology], and the development and research facility of the Department of Mining and Energy can play a large role. The participation of LSM's [community self-help groups] may also be sought.

Considering the ramifications of diversification, careful planning is much needed. For example, the use of water for PLTA's (hydroelectric power plants) has social, economic, and environmental impact. The damming of a river for a reservoir means that thousands of hectares of land used for villages, rice paddies, and farms have to be acquired. Lack of thorough planning and control could cause social unrest. Similarly, the construction of electric power plants that use other energy sources requires the best calculation possible. An environmental impact assessment (AMDAL) and an analysis of environmental benefit and risk need to be conducted with great seriousness.

#### **Nuclear Power Dilemma**

Energy demand steadily rises as the population grows and industrialization accelerates. Because existing energy sources are inadequate, the use of nuclear energy is being eyed. What, then, of the resulting impact, such as the consequences of disposal of radioactive wastes and of exposure to radioactivity? In 1986, for example, the world's worst nuclear disaster occurred in the Soviet

Union. At the least, that nuclear explosion contaminated most of Europe with radioactivity. Three years earlier, a nuclear accident also took place at the Three Mile Island PLTN in the United States. Because the risks of using nuclear energy are very great, planning must be as careful as possible and should include mastery of waste processing technology.

Admittedly, the use of nuclear energy is very efficient and could allow economizing in the use of other energy sources. Studies at a research institution in Japan show that nuclear energy is cheaper. Estimates of the growth of demand for electricity indicate that without the use of nuclear energy, our country will have an electricity deficit of thousands of kilowatts by the beginning of the 21st century. Must nuclear power, then, be the answer to the electricity shortage that is to overtake us? In there no other alternative? Minister of Research and Technology B.J. Habibie says that so far he has not received any report or study that shows the 7,000-megawatt electricity shortage can be overcome without nuclear power. If, however, this energy shortage can be overcome by other alternatives, such as geothermal power, planning for nuclear power will be stopped. If there is no alternative, we are compelled to use nuclear energy.

The need to meet the electricity demand is very pressing, whereas research to find alternative energy sources needs much time. Because of fear the electricity crisis will occur soon, we are forced to take a shortcut, namely the utilization of nuclear power, which was developed in the 1950's.

According to plans, the first PLTN, located at Muria, on the border of the Pati and Jepara Regencies in Central Java, will be ready for operation in 2003. Several uninhabited islands are being readied as sites for radioactive waste disposal. There are several methods for managing radioactive wastes: the bituminization technique, which is the storage of wastes with bitumen; cementation; and vitrification. So far, however, there is no technology that completely guarantees the safe storage of nuclear wastes, and a leak may occur when some of these storage methods are used. If that happens, the security and comfort of thousands, or hundreds of thousands, of people living within dozens of miles of a PLTN could be disrupted. Therefore, it is appropriate that residents around a PLTN should be included in the planning process. In spite of everything, the operation of a PLTN will have great impact on the community.

The development of a PLTN naturally requires an integrated and comprehensive feasibility study, not only of economic and technical aspects, but of social, environmental, and geologic aspects as well. It is not easy to declare a PLTN installation to be truly safe. At the least, a comprehensive feasibility study is necessary.

A PLTN is a fitting answer to the electricity shortage, but the appropriateness of the answer should not be viewed



merely from economic, geologic, or technical considerations. For that reason, an AMDAL and an analysis of social impact must be conducted thoroughly.

Dependence has been very great on oil, gas, and coal as energy sources. It is fitting, then, that this dependence should be reduced gradually as these sources become scarce. Efforts to develop diversification of energy sources must be continuous. Although there are pros and cons in connection with the use of nuclear power, it is clearly one of the alternatives. It is true that in some countries PLTN's are no longer popular, and their prospects are dim. The reasons for this, besides opposition, protests, and rejection by the community, are the unexpectedly high prices of new PLTN's and the great cost of shutting down a PLTN when it can no longer be used.

Since there is still a dilemma associated with the use of nuclear energy, research and study should be directed toward energy sources that are much safer than nuclear power.

#### **Telephone Company Receives Grant of Line Exchange**

92SE0300A Jakarta *ANGKATAN BERSENJATA* in Indonesian 18 Jun 92 p 2

[Text] Jakarta (ANGKATAN BERSENJATA)—PT [Limited Company] Telkom has received a grant of a 10,000-line automatic telephone exchange and its equipment, all valued at \$3.5 million (7 billion rupiah), from PT East Jakarta Industrial Park (EJIP) in Bekasi. The grant agreement was signed Wednesday [17 June] by PT EJIP President Director Ogasawara and PT Telkom Principal Director Cacuk Sudarjanto and was witnessed by Minister for Tourism, Post, and Telecommunications Soesilo Soedarman and Junior Minister of Industry T. Ariwibowo.

During the ceremony at the PT Telkom Head Office in Jakarta, a joint venture agreement also was signed by Ho Lam Phoh of Singapore Telecom International Pte Ltd, Anthony Salim of PT Batamindo Investment Corporation, and Kisworo of PT Telekomindo Primabhakti (subsidiary of PT Telkom's Employee Pension Fund Foundation). The three companies are to establish a joint venture company to build telecommunications facilities on Batam Island.

The PT Telkom principal director said that 1,200 lines of the 10,000-line exchange at Lemahabang, Bekasi, are in use. Cacuk Sudarjanto was not prepared to comment on plans for telecommunications construction in Batam by the joint company.

Junior Minister T. Ariwibowo said in his remarks that telecommunications facilities foster the success of industrial complexes and of the plants in the complexes.

The cooperation between PT Telkom and PT EJIP and the formation of the joint company are a model for how to provide telecommunications facilities. This will

encourage companies running other industrial complexes to do the same thing and thus hasten the provision of telecommunications facilities in their complexes.

The junior minister for industry said PT EJIP, one of the industrial complex operators in Bekasi, is a joint venture by national firms and a private Japanese company to develop a 200-hectare industrial complex. So far, 20 investors are ready to build plants there.

#### **Correct Imbalance**

The availability of telecommunications facilities makes it possible for PT EJIP to meet fully the telecommunications needs of investors. It also makes it possible to meet the needs of the surrounding community, said T. Ariwibowo, who is also industrial complex coordinator.

Minister of Tourism, Post, and Telecommunications Soesilo Soedarman expressed his appreciation to PT EJIP for the grant as a participation in successful telecommunications development.

Telecommunications development during REPELITA [Five-Year Development Plan] V has been much greater than in the previous plans. "During REPELITA IV, only 60,000 lines were constructed each year; but 437,000 lines were built in 1991, and 540,000 lines will be provided this year," he added.

The increase in telecommunications has been evenly distributed. Automatic systems have been brought to 301 regency capitals and 1,031 of the 3,680 subdistricts. Manual telephones are still used in 1,260 subdistricts, and 1,388 subdistricts do not yet have telecommunications, said Soesilo Soedarman.

These figures still fall far short of public demand for telecommunications services. This demand has been rising rapidly because of the impact of our growing economic development.

In view of the government's limitations, it is hoped that the participation of private business, guided by regulations, will correct the imbalance that has occurred. "The reverse should not be true, in which business merely tries to make a profit; for that would only be a burden to the people," the minister of tourism, post, and telecommunications said.

#### **Company To Offer Lower Cost Antipollution System**

92SE0308A Jakarta *BISNIS INDONESIA* in Indonesian 13 Jun 92 p 6

[Text] A local company is ready to build a system costing 30 percent less than foreign-made systems to handle industrial air pollution.

The company, Cipta Kharisma Sejati (CKS), Inc., is active in the field of antipollution systems, especially antiair-pollution. "The cost is lower than foreign-made systems not because the quality is lower but because it is

made by Indonesian technicians," Andrey Armend, Chief Director of CKS, Inc., told BISNIS INDONESIA.

Andrey admitted that in general the field of central air pollution [as published] is not well known, especially in Indonesia; because of that, some of the parts must be imported, for example, English filter cloth and German bach [as published] filters. "Factories differ in their capacity and needs," Andrey continued.

Therefore, he said, when CKS handles air pollution there is nothing like a single complete unit. "CKS provides design, construction and after-sales service."

CKS cooperates with the Department of Manpower, in this case Company Hygiene and Health (Hyperkes), the Department of Industry, and KADIN [Indonesian Chamber of Commerce] in developing and introducing this system.

Andrey admitted that in general PMA [Foreign Capital Investment] companies prefer to use their own national companies to build these systems because of the business connections involved.

Andrey said that CKS offers the following ways of handling air pollution: industrial fans, material and air handling, cyclones, filter baghouses, scrubbers, filter cloth bags, envelopes, accessories, miscellaneous, etc.

#### **Masks are not Needed**

Such services are needed, for example, by chemical, wood, pharmaceutical, steel, paper, and asbestos plants. Andrey said that with such systems workers no longer need to wear masks.

Andrey said that the antipollution systems developed by CKS, Inc. are not intended for individual use. "However, these tools help businessmen have healthy workers because the workplace does not suffer from air pollution."

Andrey gave woodmills as an example. "If the workers inhale sawdust, eventually they can become sick. The same is true in a pharmaceutical plant; if there is no dust collection, the raw materials for making medicines can become contaminated.

Even though some of the materials for making these antipollution systems still have to be imported, Andrey guarantees the spare parts made in his workshop in Cibinong.

Besides being able to handle both coarse and fine industrial dust, the equipment made by CKS can also handle odors and poisonous gas. Putting the system into operation takes between three weeks and two months depending on how much the factory needs.

Andrey said that it is easier to build the system when the factory is new. "When the factory is already running or is producing, it often gets in the way of production because the equipment which handles pollution or eliminates the

odors or the poisonous gas is installed right where the odor or poison is produced," Andrey explained.

#### **Status of Wood Industry**

92SE0295A Jakarta EDITOR in Indonesian 20 Jun 92 pp 55, 57

[Article by Agung Yuswanto: "Guarding the Equatorial Emerald"]

[Text] Indonesia's impressive economic growth in the last several years is linked to the wealth of Indonesia's forests. From the interior of this equatorial emerald has emerged industries that drive the wheels of Indonesia's economy. During the last five years, the forest products industries have become a foundation for foreign exchange earnings. Each year, these industries have contributed about 25 percent of all Indonesian nonoil exports.

According to the Indonesian Wood Panel Association (APKINDO), this figure includes only plywood, processed wood, furniture, and handicrafts, whereas Indonesia's forests also produce other mainstays such as rattan, pulp, and paper and have spawned various support industries.

Indonesia's wood industry began during Dutch colonial times through a number of steps in the regulation of teak forests in Java and Madura. About 1926, the Netherlands set up a kind of forestry BUMN [state-owned business enterprise] to manage the cutting of forest timber.

After Indonesian independence, the wood industry grew in importance. In the 1950's, over 200 timber cutting companies were established, which cut hundreds [as published] of cubic meters of logs and employed about 10,000 people.

The wood industry stepped up the pace when in 1967-1968 the New Order government introduced a law on foreign and domestic capital investment. Indonesia's approximately 144 million hectares of forests then began to be subdivided and "distributed" to about 71 concession holders, who later became known as holders of forest exploitation rights (HPH).

The name of Bob Hasan emerged, and during subsequent developments he became known as the Indonesian "Timber King." To the roar of the machines of timber cutters in the midst of the jungle, Indonesia was able to scoop up about \$200 million in foreign exchange in 1970.

To avoid undesirable things, the government set limits to forest exploitation. HPH holders would be permitted to operate only in specific production forest regions, which were limited to 64.3 million hectares.

The number of HPH holders grew from 71 in 1970 to about 565 at the end of 1989. At first, not all the HPH holders were actively operating. Of the 71 HPH holders

in 1970, only 45 were active, from whom Indonesia earned about \$200 million in foreign exchange.

Foreign exchange earnings grew steadily to \$3.98 billion at the end of 1991, or 27 percent of Indonesia's total nonoil exports. According to Bob Hasan, that amount was earned by 117 plywood plants, 652 wood processing plants, 476 rattan processing plants, and 169 furniture factories.

Apart from the controversial questions about the environment that have constantly dogged forest industries, the history of Indonesian forest industry management has had its ebbs and flows from the beginning. At the time that logs could still be exported, Indonesia earned

\$1 billion from them every year. In 1977, log exports reached about 18 million cubic meters, or \$1.8 billion.

Going into 1979, world markets had an excess wood supply. As a result, prices fell from \$120 per cubic meter to \$20-\$60 per cubic meter. Foreign exchange revenues from wood likewise plummeted to \$597 million.

Then, on 8 May 1980, the ministers of agriculture, industry, and trade issued a ban on log exports. Each HPH holder was also required to operate as an integrated wood industry. The new ban functioned effectively until 1985 and caused the growth of many wood processing industries. From this grew Indonesia's strength as a plywood producer controlling half the world's markets. (See box.)

**Growth of Indonesian Wood Industries, 1987-1991**

	1987	1988	1989	1990	1991
<b>Sawn Lumber</b>					
Capacity (1000's of cubic meters)	14,823.2	14,900.3	15,004.3	15,004.2	15,004.6
Production (1000's of cubic meters)	10,183.1	8,725.4	8,786.5	8,786.1	9,002.3
Export Volumes (metric tons)	33,067.1	46,733.7	2,210.3	339.2	223.5
Export Values (\$1,000's)	23,297.1	33,170.3	883.0	291.8	177.2
<b>Processed Wood</b>					
Capacity (1000's of cubic meters)	1,793,117.1	2,629,100.3	2,882,000.5	3,425,000.2	3,718,000.1
Production (1000's of cubic meters)	1,247,891.2	1,788,966.4	2,153,295.7	2,093,213.1	2,305,000.2
Export Volumes (metric tons)	853,971.4	1,150,579.3	1,401,075.1	1,359,032.3	1,527,835.3
Export Values (\$1,000's)	134,676.3	207,194.2	421,063.3	491,146.4	611,213.2
<b>Plywood</b>					
Capacity (1000's of cubic meters)	7,047.3	7,547.2	7,820.3	7,903.1	8,203.5
Production (1000's of cubic meters)	6,160.5	6,940.7	7,076.2	7,113.4	7,793.7
Export Volumes (metric tons)	3,560,179.4	4,037,298.0	4,556,681.8	4,951,531.8	5,229,746.2
Export Values (\$1,000's)	1,759,325.8	2,073,716.8	2,332,808.4	2,692,899.4	2,843,882.5

Data processed from Department of Trade and Industry sources

After the ban on log exports went into effect, Indonesia began to export a variety of processed wood. According to the Department of Trade, the value of sawn lumber exports grew from \$360.13 million in 1986 to \$667.8 million in 1988. Processed wood other than plywood began to play a big role in Indonesian economic activity.

In October 1989, the government established a new policy in the form of relatively high export taxes on sawn lumber. Consequently, a change took place in the composition of wood product exports.

Although the wood industry has been quite successful, some observers feel it has not laid a firm foundation for

the next industrialization phase. They think the industry has merely been depending on the low wages of workers.

Efforts to produce continuous development is an issue that should be given attention. Some economic experts are beginning to rethink the concept for calculating the GDP [gross domestic product], which has always given the wood industry the place of a "prima donna." A 1989 study by the Word Research Institute found that the calculation of Indonesia's growth rate needs correction because of shrinking natural resources. FAO research shows that during the last five years damage to Indonesia's forests has encompassed 1.30 million hectares every year.

**Further Report on Award to SRV for Assistance**  
*92SE0288C Vientiane PASASON in Lao 18 May 92 p 1*

[Text] Recently the Lao Government agreed to present the Friendship Decoration to Gia Lai Long Tum Province of the SRV and three Work Decorations, second class, to specialists from this province who had displayed virtue in their cooperation with and assistance to Attopeu Province in national defense and economic development in the past.

The ceremony for presenting the decorations was held recently in Gia Lai Long Tum Province on the occasion of the visit of Mr. Thongkham Chanthaphon, the head of Attopeu Province, who represented the Lao Government in presenting the decorations which commemorated the virtue displayed by the people of this province for so long in their cooperation with and assistance to their comrade province of Attopeu.

**Kaysone Economic Leadership Role Discussed**  
*92SE0292A Vientiane PASASON in Lao 11 May 92*

[Article by Khamsai Souphanouvong: "Kaysone Phomvihane - the Creator of Laos' New Economic Policy"  
Series continued from past editions]

**[11 May pp 1, 2]**

[Text] From the beginning our party has concerned itself with no other interests except the interests of the multi-ethnic people. Our new system now has no duty higher than the duty to "provide everything for the well-being of the people." Therefore the red silk thread of the market which supports the ideology of economic reform is our party's policy for the masses and concept for the people. The people are both the target to be served by the new economic policies of the party and also provide the strength to carry out the economic reform. The starting point for the new economic system is abolishing the old system of arbitrary power completely, putting into effect the real mastery of the people and serving the just interests of the people, including every family, every economic unit of the grassroots and every sector of the economy, by applying those policies in detail to achieve a reasonable balance between the interests of the individual, the collectivity and the state, to broaden democracy on the basis of democratic centralism, and to utilize the market mechanism on the basis of state regulation of the overall economy. The principle economic units will operate freely according to the law and will bring work to the grassroots, the countryside and the mountain areas in order to encourage popular movements as a strategic measure, to build the new prerequisites for people's democracy, to build the new economic structure which encompasses every section of the people's economy, and to build a new market system regulated by the state which is an economic system of the people.

In this spirit Chairman Kaysone Phomvihane referred to the various instructions of the great Chairman Ho Chi Minh to warn us as follows: "the country is independent now, but if the people are not happy and do not have freedom, then this independence will have no meaning", "the struggle against the old and corrupt to create something new and pure is a great struggle for which the entire people must be mobilized, organized and trained - it depends on the strength of the people", and "one must consider the people as the source - from the people, by the people, for the people."

Kaysone has said that policy concerning the masses is especially important because it is the decisive factor for the victory of reform in that it effectively assures unity between ends and means; between strategy which is strong, precise and consistent and an approach which is subtle and skillful; between ideology, organization and action; between the policy and the leadership of the party, the administration of the state and the power of the multiethnic people who have become the real masters of the nation; and between the market system and the broad supervision of the state. This has made our party, which is young and small in numbers compared with the many other parties of the world, into a strong, brave party which has led its multiethnic people in revolution and national liberation. It has become the leadership core for people's democracy and the new changes in all areas which are being carried out successfully and are avoiding various errors of strategy (such as incorrect policies and arbitrary power). This has allowed the party to expand steadily in all areas with mass movements and to have great influence among the people. The party and the people have become one as has been shown by the central position of our leader, Chairman Kaysone Phomvihane. But his greatness does not lie just here - he is also the honorable leader of the party, the great leader of the people, and a hero of the nation who accomplished the revolutionary goals of the party and furthered the just interests of the people. The fate of the nation became closely intertwined with his high ideals so that the party's ability to guide, the great strength of the people, the brave traditions of the nation and our great international spirit became unified in his brilliant ideology, guidance and organization. This allowed his high role and great power to be miraculously combined with humility in his speech, honesty in his behavior, informality in his relations with the masses and simplicity in his life-style. This made him a great man, gave him influence, and caused him to be the most admired and respected in our country.

Together with our leadership and development of economic policies and patriotism and love of the people, Kaysone also stressed the great international spirit and consistency of our country.

**[12 May pp 1, 2]**

[Text] The policy to expand economic relations and cooperation with other countries (or the open door policy) of our government began with the necessary

objectives of building the new system, developing the economy and society, and using the market system. This is now a general trend in economics and society internationally and has been a great tradition of our nation for some time for building friendly relations with every nation.

But in practice it was difficult to make the open door policy very effective and to meet the various goals we had set. The most important problem was that the open door policy had to have clear principles, laws to support it and supervision. Our basic and unalterable principle for the open door policy was that our independence, sovereignty and laws had to be respected. And there had to be equality, reciprocity, and participation in improving relations with various countries so that the area had peace, stability and cooperation.

Because of our correct foreign policy, appropriate open door policy, suitable principles and consistency in the past we have been able to do well in gaining assistance and cooperation from abroad for maintaining and building our country. In the past 16 years our country has cooperated with other countries in carrying out hundreds of projects and thousands of activities in agriculture, forestry, industry, communications, transportation, telecommunications, trade, finance, banking, education, culture, public health and others. The value of this assistance was more than U.S.\$1.77 billion. Of this, grants made up 48.6 percent. In addition we adopted various regulations and laws to encourage foreign investment. Since these were put into effect (in 1988), 183 companies from 22 countries have invested in 176 projects with a total value of U.S.\$270 million. The chairman has worked especially hard to block any incorrect trends, whether to the left or right, especially conservatism, mistrust, the closed door policy, and the opportunistic ideology of dependence on another country coupled with no spirit of mastery to allow us to be strong on our own in our cooperation with other countries. There have been instances when foreign officials have been surprised when our government asked for less assistance than that which that country had recommended to us even though our country was very lacking in funds. This was because our government has always held to the principle of mutual benefits for both sides and has always been very responsible in dealing with its foreign debts according to international custom. This has raised the status and influence of our government on the international stage and has increased the trust of other countries in their economic relations with our country.

Pascal Balets, a famous 17th French scholar and philosopher, said: "all my good qualities lie in my ideas, especially those which are correct." With regard to Chairman Kaysone Phomvihane I feel that his outstanding qualities lie not just in his correct ideas, only some of which have been mentioned, but also in his capacity for work which is great and marked by great creativity and sacrifice for his personal interests - he engages in it for the general good of the nation and all the people consistently. The difference between Kaysone's

greatness and that of other heroes is, as Marx said: "if one works just for oneself, one might become a great scholar, a very wise person, or a brilliant author, but one will never become a great hero." Therefore after talking about the economic policies, the ideology and the basic views of the chairman, I would like to conclude this article with a summary of various aspects of his abilities which might serve as a good basis and a clear mirror for economists who wish to train themselves to be skillful researchers, leaders, administrators or organizers.

His most outstanding capability was his intellectual ability. This was clearly demonstrated in four areas:

#### [13 May pp 1, 2]

[Text] He had the ability to organize, imagination and logic or, simply put, rationality; and he had standards, objectivity, scientific understanding, and an understanding of history and dialectics. In the second area of intellectual capabilities he could analyze and organize problems in such a way that he could see the relationships between various different areas and causes. This allowed him to determine how to handle problems as part of a complete system step by step and correctly. With his logic and his ability to analyze and organize problems, he could evaluate clearly beforehand the direction a situation was taking so that problems could be solved with mastery and resolve. His unlimited creativity was clearly demonstrated in his correct application of Marxist-Leninist theory and various lessons which were effective at special points in our country in achieving economic goals. And he drew new, outstanding lessons from the actual practice used in changing to the new economic system in our country, especially that which was different from other countries. In providing direction for the various branches of the economy, the chairman always called on the ministers to begin with the principles of efficacy and quality in selecting plans. They were to adhere to principles with determination, be creative, and solve problems with mastery and great responsibility.

In addition to his intellectual powers the chairman had great social powers which were very necessary for directing the economy. In summary his capabilities were shown by his willing sacrifice of personal advantage for the common good of the country and the people, by his patience in using logic, by his practicality in solving the various problems, by his ability to evaluate himself clearly so that he could constantly retrain himself, correct weaknesses and expand on strengths, and by his logical work plan: he worked in a very orderly, disciplined fashion but also with great skill; he was resolute but *khongkheo*, thorough but brave, and he took advantage of opportunities and made decisions in a timely and deliberate fashion. The chairman was a model of devotion to his work. I have never in my life seen anyone who worked harder than he. But his work was also very methodical, which allowed him to concentrate his energy a great deal and work for long periods without rest. He rested as did Mr. Pavlov (a great Russian physiologist)

who said, "resting is merely exchanging one activity with another." This meant that in order to escape the tensions of work he rested "by meeting and talking with the multiethnic people in various localities in order to grasp the real situation and mobilize the people. He rested by changing his activity from intellectual to physical in order to increase production and provide regular exercise. Aesop, a great local author from Greece, once said correctly that: "the great inheritance of the humanities is knowing how to work."

Those capabilities of his which were very important for every leader and administrator were his capabilities and personal qualities in dealing with those around him. These capabilities were clearly shown in some of his characteristics: his manner and speech were always sympathetic and helpful, he was generous with everyone, he was able to recognize and use the good in everyone, he knew how to select assistants and motivate them to be most effective in their work, he assured unity and democratic centralism in correcting various activities, he created solidarity and close cooperation in leading the party and state, and he always worked especially hard to promote the creation of cadres, particularly the rank and file of various kinds and levels of economic cadres, in order to continue the new changes. The lesson from abroad is: "it is not because of a lack of funds, but because of a lack of capable people that the state becomes weak" - as Voltaire, a French author and philosopher observed. Fortunately our nation and people now have independence and complete freedom. In addition we are boldly building a new system and future under the skillful leadership of the LPRP [Lao People's Revolutionary Party] which is honored to be led by its respected chairman, Kaysone Phomvihane. In order to repay this great favor of the party and the chairman, the multiethnic people throughout the country must work in solidarity with the party to continue the party's task of making the new changes which the chairman began in order to make them successful.

**Official on Implementation of Laws, Constitution**  
*BK2607111292 Vientiane PASASON in Lao 6-10 Jul 92*

[Interview in five installments with Chaleun Yiapaheue, member of the Lao People's Revolutionary Party Central Committee and member of the Standing Committee of the Supreme People's Assembly, by unidentified PASASON correspondent on 17 June: "State and Laws: The Situation of the Implementation of Laws and the Constitution"—place not given]

[6 Jul p 3]

[Text] [PASASON] Would you like to share with us your observations on the implementation of the laws and the constitution in the recent past and at present? How are things going?

[Chaleun Yiapaheue] With regard to the implementation of the constitution and other laws we have already

promulgated. As you probably know already, after its election, the Second Supreme People's Assembly [SPA] has expeditiously set to consider, discuss, and adopt a number of civil, criminal, and economic laws. At the same time, it has also drafted and endorsed the first Constitution of the Lao People's Democratic Republic [LPDR]. It can be said that for nearly two years past, since the promulgation of the Constitution and these laws, the general atmosphere in our country has improved. We have made more progress in this direction than in the past. First of all, we have begun to gradually manage our state and society by means of laws.

The Constitution and the laws have clearly defined the political and economic systems for our country, the duties and rights of Lao citizens, and the roles of the state apparatus. The laws have defined the rights and obligations of each Lao citizen toward the state. The state is also authorized to specifically grant the rights to and duties for our citizens. It is also authorized to prohibit citizens from doing something as spelled out by the laws. In addition, I can see that the Constitution and the laws have been more effectively used in consolidating and improving the relationship among members of our society and the life of our multiethnic people. For example, people have been granted the right to file suits in the court of justice against any violators of their rights and interests, or they can contest in the courts for their legitimate ownership of some property. These laws and the Constitution have become the tools of the people in exercising their democratic rights. At the same time, they also act as the prop for the judiciary branch in carrying out activities and reaching verdicts on legal conflicts. Moreover, they have gradually become a vital factor in deterring the occurrence of any negative phenomena in our society, such as the abuse of bureaucratic power, corruption, and other illegal practices.

We can see that many positive aspects of the implementation of the Constitution and the laws have now evidently emerged. The most outstanding phenomenon is that they have been popularized and publicized in various forms and through various means, including television, radio programs, press reports, and commentaries. Campaigns have also been mounted to popularize them at cadre training sessions and other related movements in order to encourage the public to understand their substance and meaning. It can be said that in general all services and localities have actively participated in these campaigns, thus producing commendable results. We have also published the Constitution and other laws in book form for distribution and sale among the public. This has created an excellent condition for the multiethnic people to more fully appreciate the contents [of the Constitution and the laws]. People are extremely interested in these publications. As a result, they have gradually come to develop a sense of respect toward the Constitution and the laws. We can also see that the Constitution and the laws we have enforced have clearly spelled out the scope of the rights and duties of all state organizations, such as those in the legislative, executive,

and judicial branches. In the meantime, these organizations have also carried out their respective functions in accordance with the Constitution.

With regard to the legislative branch, even though the second SPA has acted as a body drafting this Constitution, while waiting to hold the general elections to elect deputies for the Third SPA, it has strictly abided by the Constitution. It has also carried out its constitutional duties in inspecting and supervising the implementation of the Constitution and the laws [by other state agencies] and in following up legal procedures taken in various cases filed in the courts at all levels. As for the executive branch ranging from the government down to the local administrative levels as well as all staff agencies under the government, they are to be transformed into a new system. The Council of Ministers is to be renamed the government; the chairman of the provincial administration is to be the provincial governor; and the chairman of the district administration is to be the district chief. As a matter of fact, the process has already been put into motion in the initial stage. In addition, all state organizations at the governmental, local, and ministerial levels have also been consolidated to become firmer and their duties more clearly defined. As for the judicial organizations, including the people's courts, the people's judiciary institutes, and the police services, they have been consolidated and reorganized ranging from the district up to the central levels, especially in such major localities as Vientiane municipality and Savannakhet, Champasak, Luang Prabang, and Vientiane Provinces. In these key provinces, the judicial branch has been greatly improved, especially at the provincial and central levels. Thanks to the consolidation of the judicial organizations, their regulations and duties have been more clearly distinguished than before. It can be said that the implementation of the Constitution and the laws and the court proceedings in all level cases have become more effective and expeditious than before. Compared to the period when these laws did not exist, the courts are now able to complete more cases filed than before. For instance, in the 1991-92 fiscal year the Supreme People's Court has managed to clear more than 300 civil and criminal cases while the Municipal People's Court has accepted to finish most of some 600 pending legal cases managed for deliberation. All in all, it is now apparent that the courts are able to more effectively resolve legal cases and to work more independently in accordance with the laws than before.

At the same time, coordination among the courts, the people's judiciary institutes, and the police services, such as the prosecution sector, in resolving legal cases is much more effective than before. That is why more favorable conditions have been created for the courts and the people's judiciary institutes to more effectively carry out their legal functions.

[7 Jul p 3]

[Text] [Chaleun continues] However, I believe there are still many weaknesses in the implementation of the

Constitution and the laws. Generally, the organization of the implementation of these legal codes remains backward and the frequency of law violations is high. Another weakness is that even though the contents of the laws and the Constitution have been extensively popularized, it was done only briefly. In some localities, this was superficial and unsystematic. As a result, our multi-ethnic people, soldiers, policemen, and state employees have not completely grasped its essence or have only understood certain articles and repeatedly referred to them in discussions without realizing that some can only be applied in specific cases.

The second weakness is the translation of the laws into regulations for application. This process is also very slow. Many laws which have been enacted by the Supreme People's Assembly and decreed for promulgation by the prime minister have not been promptly put into practice. Two examples of this are the Nationality Act and the Family Act. So far, no decree has been issued for their application. As a result, they are still ineffective. This weakness stems from the inertia of the executive branch in organizing their implementation. This has also prompted the public to complain that even though the laws have been enacted, their implementation continues to be delayed. This weakness will allow some opportunists to resort to slanderous campaigns against the role, prestige, and policies of our party and state. I think we must rectify this weakness.

The third weakness is that though our state organizations have been consolidated for more effectiveness, the consolidation process has not been realized. Many of their roles as spelled out in the Constitution continue to overlap. For example, the SPA which acts as a legislative body has not yet been able to play its role as an organization authorized to supervise and inspect the implementation of the Constitution. So far, the ministerial-, provincial-, and district-level administrative organizations do not have laws to govern their functions; there are no laws clearly spelling out their specific rights and duties, though the Constitution has already stipulated some main principles in this direction. This is because we have not yet enacted an administrative law to that effect. In addition, the consolidation of the state apparatus has not been going on for long. I think the creation of conditions for the implementation of the Constitution and other laws is only in the initial stage.

With regard to judicial organizations, even though they have been consolidated and have begun to execute their duties as spelled out in the Constitution and the laws, their overall performance has not been satisfactory. For example, though continuous training has been given to officials of the people's courts and the people's judiciary institutes as well as to policemen, the programs are still inadequate. Moreover, the authorities concerned are not unified in the understanding of some of the contents. This has resulted in assorted interpretations of the legal aspects of various court cases. This has also caused difficulty in the implementation of the laws. The judiciary's most serious problem is at the district level where



there is a lack of qualified personnel for the people's courts and the people's judiciary institutes. The backlog of cases filed at the courts keeps increasing. This is because a trial requires the collection of clear-cut evidence, close attention, and responsible personnel to handle its proceedings. Presently, the district and provincial people's courts are severely short of judicial personnel. Moreover, they also lack essential facilities such as transportation, office space, budgets, and others that will help speed the process. It appears that there has been too little attention paid to providing these for the judiciary. It is absolutely important that all judicial personnel hold views based on a firm understanding of the party's policies, current realities, and the contents of the laws so that they can efficiently handle court cases. Generally, there is insufficient coordination among personnel of the people's courts and people's judiciary institutes and the police. For example, the verdicts of certain cases have been frequently disputed or held up by some administrative organizations. Orders for the arrest of suspects issued by the people's judiciary institutes are often nullified by the police or administrative authorities.

All this clearly shows that there is poor coordination in the implementation of the Constitution and laws among the organizations concerned. Besides invoking public criticism, this has also allowed certain bad elements to perpetrate their activities. As a result, the public may accuse the judiciary for the lack of justice or of taking bribes. Of course, one must pay heed to and investigate such public complaints to determine whether they are true. According to our investigation, many public complaints about certain court verdicts are justified. However, most of them are just allegations. This is because there is bound to be a winner and a loser in a court case, when a final verdict is reached. It is only natural that the winner will be happy and praise the court for giving him justice. The loser, meanwhile, tends to accuse the court of being unjust. He may also turn to other ways to exonerate himself from having been charged as the guilty party. For example, he may even try to contact the party Central Committee Political Bureau, the president of the state, the chairman of the party Central Committee, or the prime minister, thereby creating confusion and frustration and discouraging judicial personnel from performing their duties. This is a weakness in our enforcement of the Constitution and laws which we must take steps to rectify.

[8 Jul p 3]

[Text] [PASASON] What should the various institutes in charge of enforcing the laws do in actual practice in order to have our country's laws and Constitution effectively and strictly implemented?

[Chaleun] Regarding this issue, I am of the view that the first thing to do is to enable cadres in the ranks of courts and public prosecution institutes as well as the police to profoundly understand and firmly grasp the spirit and

contents of the laws and the Constitution. The conditions and arrangements for an effective implementation of the laws and Constitution must then be created or designed for them. At the same time, it is necessary to continually publicize the contents of the laws and Constitution. The people in general must be educated and trained to grasp the contents of the laws and adequately understand the significance of each article of the laws so as to enable them to effectively implement those laws.

Secondly, for cadres of the judicial organizations, courts, and public prosecution institutes and police, in particular those attached to the lawsuits department or military courts, in carrying out activities, they must adhere to the party's line and the people's interests. They must also firmly grasp the contents of the laws so that they can check acts which violate the Constitution and laws, prevent the said organizations from imprisoning those who do not disobey the laws, and also prevent offenders from escaping punishment. They must correctly abide by the law which says: all are equal before the law.

In implementing the laws, they must not conceal facts and must not take sides with or favor friends, loved ones, relatives, associates, or subordinates. They must uphold the judicial organizations, the courts and public prosecution institutes. Courts and police in particular must uphold an ethical path. They must be loyal to the party, the state, and the people, and maintain a true spirit of cherishing the nation and serving the people. Only by so doing can the laws be effectively implemented.

[9 Jul p 3]

[Text] [Chaleun continues] The third issue is that policemen, court personnel, and prosecutors must review the procedures for organizing the implementation of the Constitution and the laws and the working methods within their respective organizations in order to make them correspond with reality and conform to the Constitution and the laws. At the same time, they must fully carry out their roles and duties stipulated in the Constitution and the laws. In addition, the courts, the judicial institutes, and policemen must step up coordination among themselves so as to make the system more efficient and smooth.

In dealing with a court case, the most fundamental thing to do is to present clear-cut evidence collected from thorough investigation and interrogation by the police's legal section. If the evidence is not clear, it will create difficulty for the court in deliberating the case and reaching a verdict. Therefore, efforts must be made from the beginning to increase coordination among the courts, the prosecutors offices, and the police sector in engaging in a legal case so as to ensure the quality of the final verdict.

At the same time, the legislative organizations, such as the Supreme People's Assembly Standing Committee, must step up their supervision and closely follow up the activities of the courts and the prosecutors offices. They must try to interpret the precise contents of the various



laws as clearly as possible so as to assist the courts, the prosecutors, and the police to carry out their duties as correctly as possible.

In addition, sound coordination must also be promoted among the executive, legislative, and judicial branches as well as among the various services in all localities in the implementation of the Constitution and the other laws. Conditions must be created for the courts, the prosecutors offices, and the police service to carry out their roles and duties. The most important thing is to upgrade the qualifications of the personnel of the courts and the prosecutors offices so as to allow them to firmly grasp the party's policies, the contents of the laws, and reality. This means that they must truly uphold the principles of justice. Only by doing this will we be able to gradually organize the effective implementation of the Constitution and the laws.

[10 Jul p 3]

[Text] [PASASON] What steps should we take to speed up the court proceedings so they can be completed in a timely manner?

[Chaleun] In parallel with some good points, the activities of the courts and the prosecutors offices are still plagued with some weak points. For example, the court proceedings in certain legal cases cause great procrastination. This is, first of all, caused by the lack of leading or specialized personnel on the part of the courts and the judiciary institutes. Therefore, it is necessary for the qualifications of court personnel and prosecutors to be upgraded through various forms of training. First of all, training sessions must be given to them. Court proceedings and activities must be linked to the training of personnel. Training courses must be successively organized to train personnel for the existing courts and prosecutors offices and for those which will be set up later. Only by doing this will the judicial apparatus become more complete and available, thus creating conditions for speeding up court procedures. The second thing is that adequate essential means and conditions must be prepared for the activities of the courts and the prosecutors offices.

It is generally known that the judicial organizations, including courts and prosecutors offices, at the provincial and district levels are still not provided with adequate separate office space. Even though they are provided with some, they are still scattered in many places. I propose that the administrative organizations in those localities in charge of this work help in resolving this problem by acquiring specific office locations and necessary means for the judicial organizations to carry out activities effectively and to collect needed data for court proceedings. As I said earlier, another important thing is that coordination among the courts, the prosecutors offices, and the police service must be firmly developed from the beginning so as to create favorable conditions for the courts to speed up their activities. In addition,

other services concerned must create favorable conditions for the courts and the prosecutors offices to carry out their activities so as to speed up proceedings. In the meantime, it is important that the courts adopt drastic measures in dealing with all pending trials and the implementation of any final verdicts reached by them in accordance with the laws.

Lately, it appears that most of the verdicts reached in all criminal cases have been strictly executed. However, the execution of most verdicts reached in civil cases still remains confusing. Many loopholes still prevail in this area. No drastic measures have been adopted to deal with this development so far. To radically solve this problem, we must try to accomplish two objectives: the first is to encourage the courts to be strict in implementing the laws and the party's policies; the second is to encourage society or wrongdoers to admit their guilt and to accept its consequences.

Another problem deals with the abuse of power by those who are rich and influential. At present, nepotism is still practiced by some senior or influential persons in party or state organizations. This phenomenon has posed serious obstacles to the implementation of several verdicts reached by the courts. This means that favoritism takes precedence over laws. Often, some rich people even claim that they can bribe higher authorities, court personnel, prosecutors, and policemen to escape punishment from whatever wrong deeds they commit against society. Therefore, I think that it should not be only the courts and the prosecutors offices who tackle this problem. All members of our society and all other organizations must also help solve it as well. This means that everyone must abide by the Constitution and all the laws. Even if a wrongdoer is one's relative, he has to be dealt with in accordance with the laws. Only by doing this will we be able to speed up the court proceedings in all legal cases. If we continue clinging to the old practice, we will never be able to solve this problem. Another issue is the improvement of the relationship between the judicial and executive branches. Further consultation must be continuously held on this. All favorable conditions must be created for the courts to effectively carry out activities in accordance with the laws.

On several occasions, while the courts are in the process of reaching verdicts on certain cases, certain administrative organizations simply order that such cases be shelved. More serious still, these administrative agencies do not even consult with or explain to the judicial organizations concerned. They only listen to the unilateral petition from either the plaintiff or the complainant and order that the proceedings in a particular case be halted. Such an act constitutes a breach of the Constitution and other laws. It will serve to create conditions for a delay in the court proceedings and discourage court personnel and prosecutors. Therefore, to speed up court proceedings in accordance with the existing laws, be they concerning criminal or civil cases, all necessary and required legal steps must be strictly carried out, otherwise the implementation of the Constitution and all

other laws will be further retarded and favorable conditions will be created for the enemies and bad elements to carry out slanderous campaigns against us.

### **General Writes on Lenin, Need for Vigilance**

92SE0288A Vientiane KONGTHAP PASASON LAO  
in Lao 23 Apr 92 p 2, 4

[Article by Lieutenant General Osakan Thammatheva: "Lenin's Military Ideology Provided the Light for the Public Security Policies of Our Party"]

[Excerpts] Just like Karl Marx and Engels, Lenin was a leader, a great teacher and was greatly beloved by the workers and laborers throughout the world. [passage omitted]

Lenin is dead now, but the great ideology of Marx and Lenin has been the most fruitful and beneficial for mankind. It has been the agent for the interests and hopes of the workers, laborers and oppressed nations throughout the world. [passage omitted]

The light provided by the ideology of Lenin gave Laos a means for liberation. It gave our revolution and Armed Forces a great victory. They are now in the position to achieve more victories.

We Lao had been in the position where we had lost our country and become the slaves of the colonialists and imperialists. Therefore Lenin's great policies and ideals, which were revealed to us, appealed to the hearts and minds of the Lao people and gave us the unlimited faith and strength to pursue resolutely our revolution to the end. The revolution was conducted for more than half a century under the skillful leadership of the Communist Party of Indo-China and then of the LPRP [Lao People's Revolutionary Party]. These parties used Marxism-Leninism creatively in Lao society, and we were able to achieve great victories without end, defeat both the old and the new colonialists, liberate the country and abolish the corrupt old system. [passage omitted] At present our party is organizing and leading the Lao masses in making the new changes in all areas, in building and expanding the system of people's democracy, and in building the foundation for socialism in the future. We believe firmly in the leadership of the party and in Marxism-Leninism because we know the great benefits Lenin has had for the world revolution and our revolution.

By understanding and utilizing Lenin's ideology of violent revolution, our party was able to organize, lead and build the Lao People's Liberation Armed Forces into an important revolutionary force for the party and the basis for revolutionary society [passage omitted] They were able to defeat the armies of the colonialists and the imperialist invaders and their lackeys, liberate the country completely, and build the LPDR [Lao People's Democratic Republic] which had never existed before in Lao history. [passage omitted]

Proceeding according to the teachings of Lenin and these lessons from experience, we cadres and combatants trained in the use of the weapons at hand, increased our strength in weaponry, used the correct tactics, were resourceful in every battle and achieved great victories. [passage omitted]

The victories and the strengthening of the Armed Forces of the Lao people were victories for the leadership, unity and integration of the party with respect to our armed forces. It was the ideology of Lenin which pointed the way for the liberation of the Lao nation while our party applied the ideology resourcefully in our revolution and in the organization and building of the Armed Forces. We place the greatest emphasis on the role of Lenin in our liberation and are all very grateful to him.

In order to show their respect and gratitude to Vladimir Ilich Lenin, the beloved leader and teacher, the Armed Forces will resolutely follow his teachings, will carry out the policies of the LPRP, and will carry out their duties in the new period of the revolution more effectively.

At present the obligation to make new changes in our revolution is great. We will continue to build and expand the system of people's democracy with new demands which are greater than before. But in the international sphere as well as in this area there is confusion. They are taking advantage of the overthrow of the socialist countries of Eastern Europe and the destruction of the Soviet Union. The imperialists and their lackeys are continuing to eradicate Marxism-Leninism and socialism with the warfare of peaceful change coupled with cruel and brutal tricks and military schemes. They use propaganda to slander Marxism-Leninism in order to deceive people and make them abandon socialism for capitalism, which is fraught with injustice and is oppressive and corrupt. Mankind detests this system and has struggled unceasingly to abolish it. Now more than at any other time the armed forces of the Lao people will unite with the multiethnic Lao people to increase awareness of every trick involving peaceful change. With regard to the psychological warfare of the enemy, we will train ourselves, hold fast to the objectives of socialism, maintain Marxism-Leninism as the basis for the thinking and direction of every revolutionary action of the Army. [passage omitted] In the future, together with the multiethnic people, we will destroy the scheme of peaceful change, we will cause confusion for and destroy the new system which the enemy intends to set up. We will defeat it more decisively than before, and we will see to it that the political peace and order in society are maintained.

### **Army Problems in Xieng Khouang, Shift in Structure**

92SE0288B Vientiane KONGTHAP PASASON LAO  
in Lao 23 Apr 92 p 3

[Excerpts] The supply activities of the Army in Xieng Khouang Province are one of three large tasks which make up the political duties of our Army, namely: supervising the Army, training the Army and supplying

the Army. In the past the party committee and the command committee of the Army headquarters in Xieng Khouang Province considered supplying the Army to be an important factor in the victory of the armed forces and people throughout Xieng Khouang Province. I learned from the deputy commander who was in charge of the Quartermaster Office for the Army in this province that in the eighties this organization was affiliated with the province in every area. Therefore the Armed Forces of the province had to share the difficulties in many areas. For example in the area of supplying the Army they encountered great difficulties because in these years the budget and income for the province were limited, and supply did not meet demand in the various areas of activity.

In order to correct these problems and make the organization appropriate for the real conditions, starting in 1990 they transferred all the local Armed Forces to the ministry. In particular, supplying the Army was assigned to the Quartermaster General Department, which provided supplies directly. As a result food was supplied according to principles specified by upper echelons, and the problem was solved. This was demonstrated in 1992 when the Quartermaster General Department permitted the Army headquarters of the province to enter into a relationship with various companies in the province to purchase unhusked rice within the province in order to supply all the rice rations for affiliated units and districts starting at the beginning of last February. Compared with the same period of 1990, this year almost 16 percent

more was provided. They were able to supply the rice for the various base units so that they could carry out their training and combat well.

Together with these efforts of upper echelons, in 1991 the Quartermaster Office encouraged the various base units, which were able, to develop plans to increase production and raise various kinds of livestock in order to improve the living standards of the cadres and combatants. The results are that at present the Army in the province has three units raising livestock which have 88 head of cattle, eight buffalo, and eight fish ponds producing 10,800 fish and providing an income for the Army headquarters of the province of more than 10 million kip. [passage omitted]

Nevertheless at the meeting to summarize and evaluate 1991 held by the headquarters from the 16th to the 18th of last January, it was pointed out that the supply efforts still had many deficiencies and operations which were not carried out well. It was important that these be corrected in the future. For example during the past year the party committee, each level of the command committee, and each unit had not provided as much encouragement as they should for activities to improve the standard of living for the units. Generally these units had to depend on just the rations which upper echelons supplied. Every unit did not work hard to build the economy. Some units had crop land and water but did not use it; vegetables had to be purchased at the market. Some units had buildings for food preparation but no building for eating together. Therefore each day the dishes remained in the corner of the lodgings for the members. [passage omitted]

## POLITICAL

### Rich Countries Use ILO To Limit Poor Nations

92SE0299A Kuala Lumpur BERITA HARIAN  
in Malay 6 Jun 92 pp 1, 2

[Text] Kuala Lumpur, 5 Jun—Malaysia may withdraw from the International Labor Organization if that body does not provide any benefit to this country, says Datuk Seri Dr. Mahathir Mohamad.

The prime minister said the ILO, which has always been controlled by the rich nations, does not make any contribution except to put pressure on poor countries with a variety of requirements and obstructions that block development.

"If the ILO is of no benefit to us, why should we be associated with it?" he asked reporters after entertaining Thomas Cup badminton players and staff at a tea at his home.

"The question of whether Malaysia remains in the ILO or leaves it is not the main subject, for the bigger issue is the action of the developed countries to block the trade and exports of poor countries.

"I fear the developed countries will continue to incite other countries to boycott our goods if we do not bow to their pressures," he told reporters after the tea for the national badminton squad at Sri Perdana this afternoon.

The prime minister said the developed countries are forcing developing countries like Malaysia to pay the same wages that are paid in their own countries, although they realize conditions are different.

The developed countries are using the ILO to put pressure on Malaysia to raise labor costs, which have always been an attraction to those who invest in this country.

"Low labor costs cannot be equated with cheap labor, because Malaysia's standard of living is still low. If low labor costs were eliminated, Malaysia, which does not possess expertise, technology, capital, or market knowledge, would be left behind.

"The developed countries do not want us to have the advantage of low labor costs, because they do not want people to invest here, and they do not want us to have an industrialization program," he said.

Many labor union leaders, Dr. Mahathir said, do not understand this issue and take the side of the developed countries to obstruct their own workers.

He said MTUC [Malaysian Trade Union Congress] leaders do not do anything positive to provide jobs but concentrate on personal politics instead.

"Therefore, they take sides with foreign labor groups that do not care about the welfare of Malaysian workers. Their actions will cause industry to decline and many people to lose their jobs," he said.

He said the government is trying to develop the country by speeding industrial construction to provide jobs.

At the ILO Conference in Geneva, which began yesterday and lasts until 21 June, the MTUC submitted a protest to the ILO because of the presence of Malaysian labor representatives from CUEPACS [Congress of Unions of Employees in the Public and Civil Services] and MLO (Malaysian Labor Organization). That action may have been the reason for Malaysia's expulsion from the session.

Referring to the United Nations Conference on the Environment and Development (UNCED) in Rio de Janeiro, Dr. Mahathir said he did not want to be pessimistic about the meeting, although the general view is that it will not produce very much.

"I want to keep on hoping that something good will be produced at Rio. Malaysia's position and that of the Group of 77, which was formulated at the meeting in Kuala Lumpur, will be voiced at the conference," he said.

He said all countries need to fulfill their responsibility to ensure that the objectives of the meeting are achieved.

### Terengganu UMNO Fails To Exercise Leadership

92SE0313A Kuala Lumpur WATAN in Malay  
21 Jun 92 p 12

[Unsigned article under the "Politics" rubric: "UMNO Terengganu Still Seeking Direction"]

[Text] UMNO [United Malays National Organization] should not blame the opposition, nor Datuk Bakar, who heads UMNO at Kuala Terengganu. Instead, UMNO needs to look far ahead and think about its leadership.

Look at the problems of residents at Kampung Tanjung Kapur. It is there the decline of Kuala Terengganu UMNO began. Every year the people of the village suffer from damaging floods. What is the UMNO leadership's attitude toward this situation? For the sake of UMNO unity, they should be more sensitive.

Look next at Kuala Ibai. This district is one that the government plans to develop. Hundreds of hectares of land are to be made a recreation area. A golf course is to be established. A floating mosque is to be built at a cost of millions of ringgit. The mosque is controversial, however, because there is already a mosque near the proposed location of the new one.

At the same time, look at the sufferings of the fishing community at Kuala Ibai. Almost all of the dozens of families live on condemned land owned by the government. Those who do have their own land are very crowded, with houses jammed one against the other. They have no public facilities, and the infrastructure is very poor. What has the state government done?

### Leadership

Turn now to Kemaman District, which is the "possession" of Tan Sri Wan Mokhtar. He succeeded Datuk Sulong Mahmud, former senior member of the state EXCO [executive council]. The people of Kemaman District were happy, for they received a leader with a religious outlook.

The fishermen of Kuala Kemaman were happy, too. They were poor and needed someone to speak for them, and they needed the government to authorize land for them.

Nevertheless, their situation is very unfortunate. Tan Sri Wan Mokhtar has yet to give them appropriate support. The poor fishermen are disappointed, for their lives have not changed. Their livelihood is even more difficult. The state government is putting strong pressure on them. They must move or dare to face strong action by the government, which wants to develop land at Kuala Kemaman.

The project for resettling Kuala Kemaman fishermen has stalled. The state government is weak and is seeking its own identity. When a government is weak, UMNO is blamed, too. What is the problem with the government of Tan Sri Wan Mokhtar?

Look then at farming done in Chinese cemeteries? Malays need farmland, but they have little power. Despite Malay efforts at Kampung Batu 9, Ibok, they are compelled to do their farming in Chinese cemeteries. Without land to farm, they are suffering. What has Tan Sri Wan Mokhtar done for his own district?

There are still poor fishermen at Kampung Geliga, which is also in Kemaman District. They are willing to work hard to help themselves and their many children, but there is no opportunity. As one of them says, they have only bad luck. They try to make a living, but they fail to get any good returns from their efforts. As a last resort, they have asked the government to get them a river area where they can make fishing ponds. So far, their request has not been granted. Who should be blamed?

The people are scrutinizing the government of Tan Sri Wan Mokhtar. They are watching carefully. They are also watching UMNO. They wanted UMNO, and they very much like UMNO, which has fought for Malay rights. If this is UMNO's position, however, they may look for other parties. Their only alternatives are the Spirit of '46 and PAS [Pan-Malaysian Islamic Party].

The people can make a fair evaluation. They can see UMNO's contributions. They can compare that with the character of Tan Sri Wan Mokhtar's government. Does UMNO have a separate identity?

Because Kelantan outlawed gambling, Tan Sri Wan Mokhtar also wanted gambling to be outlawed. Gambling systems in Terengganu are being outlawed only gradually, however, and there are still 13 casinos throughout Terengganu.

Terengganu is very proud of its pawnshops. All the UMNO leaders are thankful and happy. Pawnshops are for the poor. They are now able to pawn things, but it took 19 years of rule before Tan Sri Wan Mokhtar this year established an Islamic pawn system. UMNO has been weakened. Furthermore, Terengganu has been receiving oil income since 1984. Every year, it collects royalties of nearly 400 million ringgit.

As far as UMNO Youth is concerned, many tragedies have occurred. It is as though it has been under a curse since the party's general assembly in 1990. The problem has been the replacement (dismissal?) of state UMNO Youth Chairman Haji Abdul Rahman Bakar.

Many people claim Haji Abdul Rahman's dismissal was linked to Tan Sri Wan Mokhtar's failure to become UMNO vice president. As soon as Tan Sri Wan Mokhtar was defeated, the Terengganu UMNO Youth chairman was relieved of his attitude. Haji Abdul Rahman was discouraged, for he was also defeated in the general elections. When he was dismissed as UMNO Youth chairman, he still had two more years of his term to serve.

Haji Idris Jusoh, a leader not well known and seldom seen, then became head of Terengganu UMNO Youth. Although he has the UMNO spirit, his colleagues in UMNO do not know him. Haji Idris takes a "low profile" position. He is a gentle man who stands apart from others.

Most young people in the UMNO division do not know the direction he wants to take them. He is considered a member of the clique of Datuk Haji Tengku Mahmud Mansur, secretary of the Terengganu UMNO Liaison Committee. He appears to be trying to adapt himself to all the youth leaders in the state UMNO division, however.

Nevertheless, Haji Idris has failed in his leadership, or perhaps the character of his platform is not yet understood. When Tan Sri Wan Mokhtar was "attacked" by the Terengganu branch of the Malaysian Association of Bumiputra [Malays and other indigenous peoples] Contractors over the government contractor issue, UMNO Youth was silent. It took no position whatever and did not say a word.

Thus, Terengganu UMNO Youth has no voice. Although UMNO Youth should take initiative, it has suddenly become speechless. Young people, who should have a loud voice, have fallen silent. Only the remnants of former youth leaders remain, namely Haji Abdul Rahman Bakar (head of Marang youth) and Haji Nasir Tan Sri Ibrahim (head of Kuala Nerus youth).

In other words, UMNO is still seeking its own identity. It has yet to find the best subjects to use against the opposition. Moreover, it has failed to handle the problems that exist in the party or the incessant attacks by the opposition.

Many scandals and internal problems have occurred, but UMNO keeps failing to resolve them. The issue of the Terengganu Branch of the Malay Chamber of Commerce and Industry of Malaysia (DPMCT), which sent a memorandum to the minister of public enterprises, has not been resolved, either. The DPMCT complained that the Terengganu State Development Corporation (PMINT) has gone after contracts, thus causing Malay businessmen to go out of business.

Another is the issue of the opposition's pressing Tan Sri Wan Mokhtar to resign. This matter is very serious and requires comprehensive support from UMNO leadership. Unfortunately, however, most leaders have remained silent, not daring to resist the opposition. Surely, Tan Sri Wan Mokhtar is dismayed.

There still has been no response to the damaging PMINT scandal. UMNO does not deny that UMNO has not paid its debts. The "white elephant" projects developed by PMINT subsidiaries are also often criticized by the opposition. Still, UMNO leaders have failed to build a strong fortress to protect Tan Sri Wan Mokhtar.

## ECONOMIC

### Vellu Urged To Explain Sale of Telekom Shares

92SE0298C Kuala Lumpur BERITA HARIAN  
in Malay 10 Jun 92 p 10

[Text] MIC [Malaysian Indian Congress] President Datuk Sri S. Samy Vellu now has an important responsibility to the Council of Ministers, the government, and the people, especially those of Indian descent. The prime minister has asked him to give a detailed explanation of the sale of Telekom Malaysia stock allocated to Maika Holdings Berhad when the prime minister returns from the United Nations Conference on the Environment in Rio de Janeiro. Although Samy Vellu has several times explained the matter through the mass media, the prime minister's request shows that the question is still unresolved. The prime minister clearly is not yet satisfied with the explanations that have been given.

Therefore, we cannot ignore the possibility that Samy Vellu has taken advantage of the prime minister's name or tried to drag him into the issue. While attending a meeting at Shah Alam last Sunday [7 June], he told reporters and participants in the meeting that the prime minister was satisfied with his explanation about the Maika issue and the construction of the Technical and Further Education (TAFE) College at Seremban. He thus gave the impression that the issue was resolved, whereas the truth is the opposite. We are surprised that Samy Vellu is willing to use the prime minister's name in an attempt to end the matter at the very time the issue is sparking hot debate in Parliament and among the people. Even more regrettable is the fact that the issue has given a basis for the opposition, especially DAP [Democratic Action Party], to be a champion of the interests of the Indian community and the 66,000 Maika

members. Thus, the Maika issue is no longer a small matter, because it involves the prestige and image of the government and could hurt public confidence in the government.

At first, we were puzzled at Samy Vellu's statement that the prime minister was satisfied with the explanation of the issue. The prime minister's statement yesterday explained everything, however. Apparently, the explanation Samy Vellu referred to was only an announcement and not a full, official report accompanied by detailed information. We do not deny that Samy Vellu may have submitted an explanation of the issue to the prime minister. It would have been merely a short explanation and an unofficial one, however, whereas the issue involves the government's prestige and needs to be known and discussed by the Council of Ministers so that a solution can be found. The opposition is using the issue, not only against the MIC and Samy Vellu, but against the government, too. Therefore, it is Samy Vellu's responsibility to give detailed information on the actual situation to the Council of Ministers and the public. If his action in selling stock allocated to Maika was for good reason, the outcome will also be good. Nothing needs to be hidden.

It appears that this is the first time a question about stock issued to an individual or institution has been brought to the Cabinet for discussion. It is also the first time in his government service that Samy Vellu has been asked for an explanation of his actions. This shows the seriousness of the issue and its impact. It is up to Samy Vellu, then, to fulfill his responsibility to his Cabinet colleagues, the government, and the people, particularly those of Indian descent. The question of the stock sale is not merely a white collar crime but can be envisioned as a political scandal that could hurt not only the MIC, but the National Front generally. We must accept the fact that the MIC's image has been sullied by this issue, and it is up to Samy Vellu to restore it. We feel that Samy Vellu understands this fact and the necessity for him to give an explanation that is credible and is acceptable to the Indian community. This will ensure that the party he leads will always be commended and respected.

### Program Promotes Small, Medium Industries

92SE0298A Kuala Lumpur BERITA HARIAN  
in Malay 9 Jun 92 p 5

[Text] The Ministry of International Trade and Industry (MITI) will introduce a new policy called the Bumiputera [Malays and other indigenous peoples] Vendor Development System. The policy is a part of an effort to spur the growth of small and medium industry, particularly for Bumiputera businessmen.

Making this announcement in Kuala Lumpur yesterday, Minister Datuk Seri Rafidah Aziz, said the policy for increasing the participation of Bumiputera is one of the government's special strategies for small and medium industry.

She said the system will include help to strengthen programs like the Subcontract Exchange Scheme, which is now being used to connect big industry with small and medium industry through technology transfer and the supply of components.

The Subcontract Exchange Scheme is used by Perusahaan Otomobil Malaysia Berhad (Proton) with 87 domestic small and medium industrial firms, some of which receive financial help from MITI.

"The Bumiputra Vendor Development system will also try to create new activities that encourage use of machinery and automation, market products from small and medium industry, help foreign and Bumiputra investors, and encourage the supply of industrial input by small and medium Bumiputra firms to replace imports," she said yesterday in Kuala Lumpur after witnessing the signing of a contract between MITI and four participating companies. The contract will foster success of the small and medium industry development program.

Under the program, Proton, Sharp Roxy Malaysia Sdn Bhd (Sharp), and Sapura Holdings Sdn Bhd (Sapura) will help in the transfer of technology or allow small and medium industrial firms to supply components under contract. MITI will finance the program, and each participating company will be given an allocation, depending on the number of small and medium companies involved.

Proton has already been involved in programs like this, but this is the first time for Sharp and Sapura. Sharp and Sapura were selected for the program to develop small and medium industry in the electronics sector.

The fourth participating company signing the contract yesterday was Malaysian Industrial Estate Sdn Bhd (MIEL), which will receive an initial allocation from MITI to build the infrastructure for the small and medium industry complex at Mukim Batu, Kuala Lumpur.

According to Rafidah, the Bumiputra Vendor Development System will seek ways to channel financial and infrastructure help to big companies so that more Bumiputra Communities of Commerce and Industry (BCCI) can be created.

She said that in this way small and medium Bumiputra industry will get exposure to technology transfer and marketing rather than merely participating through equity ownership.

#### **Telephone Company Plans More Phones**

*92SE0298B Kuala Lumpur UTUSAN MALAYSIA  
in Malay 10 Jun 92 p 21*

[Text] Kuala Lumpur, 9 Jun—Telekom Malaysia will spend 1.7 billion ringgit for the construction of rural

telecommunications. This sum amounts to 16 percent of the entire investment of 10.7 billion ringgit projected for the Sixth Malaysia Plan.

Tan Sri Dr. Mohd. Rashdan Baba, executive chairman of Telekom Malaysia, said this large expenditure for rural telecommunications facilities is the fulfillment of a social responsibility, with the realization that the returns will not be very large.

He said the project also satisfies the company's objective of providing by the year 2005 comprehensive service that is equal to that of developed countries, which means 45 telephones for every 100 people.

"We now provide 10 telephones per 100 people," he said today at Holiday Villa while addressing a meeting inaugurating videoconferencing services.

Videoconferencing services are a third generation communications technology that enables direct simultaneous audio and video connections among people at different locations, whether in Malaysia or overseas.

At present, Telekom Malaysia provides six studios, which can control six simultaneous connections.

Dr. Rashdan said the new service, which is available to corporate subscribers, has been in planning since early 1991.

He said Telekom Malaysia has spent 10 million ringgit on the project, which is now in its first phase.

The second phase will be implemented soon and will include the construction of several facilities with even higher technology than has ever been used in this country.

"This combination of voice and video is suitable for long-distance academic courses, product promotion, medical discussions, company board meetings, and similar things," he explained.

He added that the service is an extension of Telekom Malaysia efforts to modernize the telecommunications system after adding digital technology, which encompasses 70 percent of the existing system.

As for further plans, Dr. Rashdan said his company will use integrated services digital network (ISDN) methods that will enable users to conduct videoconferencing from their own offices or homes without going to Telekom Malaysia studios.

The service now being introduced requires users to come to Telekom Malaysia studios in six leading cities of the country.

Initially, he said, Telekom Malaysia is providing studios in Kuala Lumpur, Pulau Pinang, Johor Baharu, Kuantan, Kota Kinabalu, and Kuching.

## POLITICAL

### **Khmer Rouge Peace Plan; Effect on Country**

92SE0311A Bangkok SIAM RAT in Thai 18 Jun 92 p 3

[Editorial: "The Khmer Rouge and the UN Peace Plan"]

[Excerpt] [passage omitted] There are now rumors that are causing great alarm. That is, there are rumors that the Khmer Rouge will refuse to allow the UN peacekeeping force to enter their zones to supervise the disarmament as stipulated in the peace agreement. The Khmer Rouge claims that the United Nations has still not been able to compel Vietnam to withdraw all of its forces from Cambodia.

As a result of this, the UN plan to solve the Cambodia problem is encountering obstacles, because the Khmer Rouge wields great influence, and the other Cambodian factions do not trust the Khmer Rouge. Thus, the United Nations will also have problems with the other Cambodian factions. The issue raised by the Khmer Rouge is the issue of Vietnam withdrawing its forces from Cambodia. The Khmer Rouge believes there are still Cambodian soldiers in Vietnam [as published]. They do not think that the United Nations has adhered to the agreement with respect to proving that there are no Vietnamese soldiers in Cambodia. Thus, what the United Nations must do in order to solve this problem is to act in accord with the terms of the Paris agreement in a concrete and open manner. That will carry weight in persuading the Khmer Rouge. But doing this will be difficult. Action must, however, be taken quickly; otherwise, that could affect the UN plan to solve the Cambodia problem. As for sending Cambodian refugees back to their own country, if things are delayed, because we are in the rainy season and communications inside Cambodia are difficult, Thailand will suffer the consequences, because the refugees are living in Thailand and operations plans have already been implemented. Besides this, that will also affect next year's planned election in Cambodia.

Thailand and ASEAN support the actions being taken by the United Nations. The way to resolve this problem is to support the United Nations in its efforts regarding the matter of Vietnamese soldiers in Cambodia. If the United Nations uses force to compel the Khmer Rouge to act in accord with the peace agreement, that will achieve very little. Because in the past, the use of force against the Khmer Rouge has always failed. If the efforts to bring about peace in Cambodia fail, Thailand will be the country that is affected the most.

Besides this, it should also be considered whether the Khmer Rouge has any ulterior motive for doing what it is doing and who stands to gain by prolonging the Cambodia problem. To date, the Cambodia problem has not been solved. Various countries and international organizations are involved in Cambodia either directly or indirectly. Thus, the question is, do those countries really want the Cambodia problem settled quickly?

### **End of Military Involvement Called for**

92SE0311B Bangkok THAI RAT in Thai 18 Jun 92 p 3

[Editorial: "Suggestions to Military Leaders"]

[Excerpts] Ever since the bloody events stemming from the use of military force to suppress the people who were demonstrating for democracy, many people have suggested ways of restoring the military's image. There have been suggestions both from within and from outside the military. Most recently, Lieutenant General Kittirattanachaya, the commander of the 4th Army Region, suggested that the military change its role and attitude and make greater sacrifices, focusing on national development.

Prior to that, there was a reasonable and interesting 5-point proposal from "CRMA [Chulachomklao Royal Military Academy] Junior Officers to Class 5" asking those who were involved in the bloody events to show spirit by resigning. They also asked that those who committed violations during the events of 18-20 May be investigated, that the number of people killed and missing be revealed, that the military apologize to the people, and that the military stop interfering in politics.

Regardless of whether the suggestions are from within or from outside the military, all of them have one thing in common and that is the demand that the military withdraw from politics. The history of Thai politics shows that for the past 60 years, since the change of administration, military leaders have constantly interfered in politics both as people playing direct roles and as people pulling the strings behind the scenes. [passage omitted]

It's easy to call on military leaders to stop interfering in politics, but to actually get them to stop doing this will be difficult. This is like a recognized custom. Lt. Gen. Yuthana Khamdi, the deputy Army chief of staff, has said that the military has never interfered in politics. Perhaps this is because seizing power and exerting pressure to have military leaders appointed political leaders can be considered to be ordinary and common matters.

To get the military to stay out of politics, the first thing is to admit that the military has interfered in politics. Besides this, military leaders must change their way of thinking to match that of Thais and people throughout the world. That is, they must recognize that the administrative system most suited to Thailand is a democratic system headed by the king.

The most important task of the Anan government, particularly of Gen. Banchoo Bunnak, the minister of defense, is to restore the image and prestige of the military. The best way to do this is to get soldiers to withdraw from politics so that they can carry out their duties as professional soldiers and as soldiers of the king and of the people. The military should not be the personal military of certain people.



## ECONOMIC

### IPR Violators Arrested for Selling Software

92SE0310A Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 18 Jun 92 p 9

[Excerpt] On 16 June, for the first time, the Business Software Alliance (BSA), or the association of software copyright holders, which is composed of major American software producers such as Microsoft, Word Perfect, Lotus, Aldas, Auto Desk, Novell, and so on, took legal action against those who have violated the software copyrights and trademarks of association members in Thailand. In cooperation with police officials from the Economic Crime Investigation Division, police officials were sent to arrest two groups of violators (in three places). Officials seized 550 pieces of illegal software and approximately 350 sets of manuals worth more than 4.5 million baht.

Concerning these arrested, Miss Alex Parlor, the deputy head of BSA, said that Thailand has one of the highest rates of software violations in the world. Thus, as the victim, BSA has come to Thailand in order to seek cooperation from the government in reducing and eradicating the illegal software in circulation in Thailand. Besides violating the Copyright Law, for which people can be jailed and fined, software copyright violations also affect the development of the software system in the country. And besides this, the spread of computer viruses, which may come with the illegal software, could destroy the computer data systems of users who use this software. [passage omitted]

### Organizations Plans To Help Northeastern Farmers

92SE0310B Bangkok DAO SIAM in Thai 15 Jun 92 p 4

[Excerpt] [passage omitted] 1st Lieutenant Somsak Yamasamit, the deputy under secretary of commerce and the acting director of the Public Warehouse Organization, said that at present he and a team of officials are inspecting rice markets in the lower northeast in order to buy rice from farmers in the name of the Public Warehouse Organization for use in the organization's activities, including distributing the rice within the country and exporting it to other countries with which the organization has contracts. These purchases should result in rice prices rising somewhat. In conducting surveys and buying rice, he and his team will purchase rice in Ubon Ratchathani, Sisaket, Surin, and Buriram provinces. They will buy Jasmine rice, glutinous rice, and low-grade 15-percent rice. The Public Warehouse Organization is taking this action on its own. A policy has not been formulated by and funds have not been received from the Ministry of Commerce.

1st Lt. Somsak said that Jasmine and glutinous rice will be purchased for domestic distribution. Most of the 15-percent and 20-percent rice will be sold abroad. To date, no firm figure has been set on how much will be

purchased, because we have to see how much rice the farmers produce, the quality of the rice, and so on. But it is thought that the organization will purchase at least 10,000 tons.

As for purchasing rice for export to Russia, 1st Lt. Somsak said that Russia has signed a contract to buy 500,000 tons of 15-percent rice from Thailand. The Public Warehouse Organization is responsible for obtaining 50,000 tons of rice for export to Russia. Some rice has already been delivered. Some of the rice purchased in the lower northeast will be exported to Russia.

"However, I cannot say exactly what effect our purchases will have on rice prices. If rice dealers start purchasing rice from farmers, exporters or middlemen may start purchasing larger quantities, and that could push up prices. That would be good for the farmers," said the acting director of the Public Warehouse Organization.

### Businessmen, Bankers on Post-Election Prospects

92SE0310C Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 13 Jun 92 pp 7, 8

[Excerpt] [passage omitted] Mr. Pharana Isarasena Na Ayuthaya, the managing director of the Siam Cement Company Ltd., talked about the appoint of Mr. Anan Panyarachun to the position of prime minister. He said that this will be very good for the economy. Mr. Anan was prime minister until just recently and he has a good grasp of the economic issues. In view of the fact that he formulated various economic policies, now that he has been appointed prime minister again, the issues that were awaiting government authorization should be able to move forward.

Mr. Pharana also said that the riots that occurred in May did not affect investments by the large cement groups. In particular, with respect to the 6-billion baht joint-investment project with Japan, that is, the Siam-Yaboto Steel project, Japanese investors are confident that recent events, which lasted just a short period, will not have any effect. Besides this, foreign investors are confident that Thailand can serve as a door to investment in Indochina, that is, Laos, Cambodia, and Vietnam, during the next 10-20 years. This is because Thailand has greater economic and business potential than those countries and a good production base.

Mr. Olan Chaiyaprawat, a member of the board and the deputy managing director of the Thai Commerce Bank, thinks that because Mr. Anan has been appointed prime minister again to save the situation, Thailand's economy for the year of 1992 will grow at a rate of approximately 7 percent. At the end of 1991, the economy had been predicted to grow at a rate of 7.2 percent in 1992. Following the terrible events of May, that figure dropped to only 6 percent. Now that Mr. Anan has been appointed prime minister, the figure has risen to 7 percent.

"From now until the end of the year, which is the period when Mr. Anan will govern the country, I believe that he will be able to revive the economy and lay a firm foundation for the next administration. The return of Mr. Anan has generated great political and economic confidence. However, the depression in the tourist industry will probably last for another year before it picks up again."

Mr. Nimit Nanthaphanthawat, the research manager at Bangkok Bank thinks that the economic growth rate for the year could still reach 7.2 percent as originally predicted if the political situation stabilizes. But if the

formation of a new government following the election encounters problems, economic growth could drop to 6.8 percent. And if there are serious conflicts, it could drop to only 6 percent.

"The predicted rate of 7.2 percent is supported by stock purchases, which have increased because of the confidence in the political situation. With today's share price index, the economy should grow at 7 percent. Besides this, the economy will receive support from investment in large projects, exports, and tourism, which is expected to improve toward the end of this year."

## POLITICAL

### Comments on 1992 Constitution, Organization Role

922E0171A Hanoi NHAN DAN in Vietnamese  
28 May 92 p 3

[Article by Dinh Ngoc Vuong, candidate doctor of laws: "The 1992 Constitution and the Role of Mass Organizations in State and Social Management"]

[Text] Particular importance is being attached to the roles of state agencies and economic organizations in the current comprehensive renovation undertaking in our country. However, we cannot afford to ignore an issue of decisive significance to the renovation process, namely the heightening of the role of the mass organizations in state and social management.

Over the past years, these mass groups, which are self-managed organizations of the laboring people of various strata and members of the Vietnam Fatherland Front [VFF], have developed both quantitatively and qualitatively and in both the substance and form of their operations, and have made increasingly greater contributions to the cause of national renovation. As an integral part of our country's political system, the VFF as well as the mass organizations play a very important role in uniting all the people, building and defending the fatherland, realizing democracy and social renovation, educating people in revolutionary ideals and ethics and in the rights and duties of citizens, and cementing the relations between the party and state and the people.

This important role of the VFF and mass organizations has been institutionalized in our country's 1992 Constitution. Article 9 of the Constitution stipulates: "The VFF and its member organizations are the political base of the people's power. The VFF shall bring into full play the tradition of all-people unity, strengthen the political and spiritual singlemindedness among the people, participate in building and consolidating the people's power, and join hands with the state in looking after and protecting the people's legitimate interests and in motivating the people to exercise their right to mastery and to scrupulously implement the Constitution and laws. The VFF shall also supervise the activities of state agencies, people's deputies, and state cadres and employees." Throughout the past decades and at present, the VFF has played an important role in the struggle for national liberation, in national construction, and in building stable and strong people's power. The VFF is a political alliance of the mass organizations; it also is the political base of the people's power. The Communist Party of Vietnam [CPV] itself is a member of the VFF, but it also is its leader. The member organizations mentioned in Article 9 of the Constitution are the laboring people's sociopolitical organizations—such as the trade unions, the collectivized peasants organizations, the youth union, and the women's union—and

social and professional organizations—such as the lawyers association and the writers associations. These are popular groups organized in conformity with the principle of voluntariness and operating independently according to their own regulations. As a political alliance of the popular groups and mass organizations, the VFF carries out its task of "bringing into full play the tradition of all-people unity and strengthening the political and spiritual singlemindedness among the people" not according to the method of administrative order but according to the method of democratic consultations and through the coordination and unity of action among its member organizations on the basis of a common program of action. One of the ways to operate in accordance with a common program of action is to participate in the management of state and social affairs. As stipulated by Article 9 of the Constitution, this participation consists in "joining hands with the state in looking after and protecting the people's legitimate interests and in motivating them to exercise the right to mastery and scrupulously implement the Constitution and laws."

Through democratic consultations, the VFF recommends worthy persons from among the laboring people of all strata to run for election to the National Assembly. The VFF plays an important role not only in elections but also in supervising the activities of people's deputies. Article 9 of the Constitution also stipulates: "The state shall create conditions for the VFF and its member organizations to operate efficiently." In the 1992 Constitution, we also see other stipulations that clearly reflect this requirement. To enable the VFF member organizations to grow constantly and expand their ranks, Article 69 of the Constitution stipulates that citizens have the right to enjoy democratic freedoms including the right to hold meetings and establish associations. Establishing associations here means setting up mass organizations, which must, naturally, be done as stipulated by law.

Legislating is a task of extremely important significance of the state, particularly in the current conditions, when "the state manages society by law and ceaselessly strengthens the socialist legal system." The VFF and its member organizations play an equally important role in this domain by taking part in managing state and social affairs, especially by participating in lawmaking activities. Article 87 of the Constitution, in determining the entities empowered to submit draft laws to the National Assembly, clearly states that "... the VFF and its member organizations have the right to submit bills to the National Assembly."

At the local levels, the VFF and its member organizations also play an important role in state and social management. The Constitution devotes its entire Article 125 to determining this matter. According to this article, "Chairmen of the VFF committees and heads of the mass organizations in localities may be invited to attend the conferences of the people's committees at the same level when issues related to them are discussed." Here, the presence of the chairmen of VFF committees and the

heads of mass organizations is mandatory as stipulated by the Constitutional. If Article 9 stipulates that "the VFF and its member organizations are the political base of the people's power" and defines the major role of the VFF and its member organizations, then this role is clearly spelled out at the local levels. Article 125 stipulates: "The people's councils and people's committees shall implement a system to inform the VFF and mass organizations of all aspects of the local situation. They shall listen to the views and petitions of these organizations on local administration building and socioeconomic development and shall coordinate with the VFF and mass organizations to mobilize the people to work together with the state in carrying out socioeconomic, national defense, and security tasks in their localities."

A noteworthy article of the 1992 Constitution is Article 10, which deals with the trade unions. The trade unions are sociopolitical organizations of the masses and a VFF member organization. If the Constitution mentions all other VFF member organizations collectively in a single article—Article 9—, it devotes a separate article to the trade unions. This is by no means accidental. The trade unions—or more specifically, the Confederation of Vietnamese Workers and federation of workers at all levels—are sociopolitical organizations and a member of our country's political system. When speaking of trade unions, we usually mention, first of all, the organization of the Vietnamese working class, a mass organization that looks after and protects the interests of cadres, workers, civil servants, and other laborers. It can be said that, the trade unions are the largest sociopolitical organization in our country at present. Members of this organization are not bound to one another by their age groups, occupations, sex, or religion, but by their labor: they are workers, people who create material and spiritual wealth for the country. Article 10 of the Constitution clearly describes the role of trade union organizations, saying that they "shall participate in state and social management, in controlling and supervising the operations of state agencies and economic organizations, and in educating cadres, workers, civil servants, and other laborers in national construction and defense." The trade union organizations must operate within the framework of the Law on Trade Unions and show its independent and self-management character. But, naturally, they must submit to the leadership of the CPV, the vanguard of the Vietnamese working class, the loyal representative of the interests of the working class, the laboring people, and the entire nation.

#### Further on New Constitution, Government Powers

922E0173B Hanoi NHAN DAN in Vietnamese  
4 June 92 p 3

[Article by Professor Nguyen Nien, LL.M.: "The 1992 Constitution and Changes in Government Organization and Operations"]

[Text] Through our country's three previous Constitutions, the government was organized in different ways.

According to the 1946 Constitution, the country's president was the head of state and at the same time the head of government, the highest state administrative organ; the government consisted of the country's president and the cabinet. According to the 1959 Constitution, the country's president was the head of state who formed and presided over the Council of Ministers, which was the National Assembly's executive organ and the highest state administrative organ. According to the 1980 Constitution, the Council of Ministers was the government, the National Assembly's executive organ, and the highest state administrative organ.

The past years' realities pointed to the fact that as the state machinery in general and the government in particular were organized and operated under the 1980 Constitution, they showed many weaknesses and were both cumbersome and inefficient. Therefore, the sixth party congress (1986) had this to say: "To establish a new management mechanism, it is necessary to carry out a major reform in the organization of the state organs' machinery." The party program adopted by the seventh party congress also affirmed the following need: "To change the state organization system, to reform the administrative machinery, and to improve the law enforcement organs is necessary to effectively carry out the state management function."

In our country, the state power is unified and vested in the National Assembly, but there is a division of duties and responsibilities among the National Assembly, Government, Supreme People's Court, and Supreme People's Organ of Control to allow each of them to effectively carry out its own function and power, with close coordination and cooperation among all to create the overall strength of state power.

Our state is not organized on the basis of a "three-way division of power," nor is it divided between the two branches, legislative and executive, the power of which is equal, without the tendency on the part of the executive branch to prevail over the legislative branch or to gain an advantage over it. On the other hand, we also need to avoid considering the government simply as the National Assembly's executive organ and subordinate. The government is formed by the National Assembly, is responsible to it, and reports its work to it. To improve the efficiency of our state now requires strengthening the role of the National Assembly, government, court, and organ of control, but because of the domestic socioeconomic conditions and the world situation undergoing sudden changes and because of the need to overcome the inefficiency of the executive branch, it is necessary to organize the government as the executive organ of the National Assembly and as the highest state administrative organ, which must be efficient, actively and dynamically manage the country in all fields, and strongly defend the socialist fatherland.

According to article 109, "The government is the executive organ of the National Assembly and the highest administrative organ of the SRV." The government thus

has two very important functions: Being the National Assembly's executive organ, it executes the Constitution, laws, and resolutions of the National Assembly, and the regulations and resolutions of the National Assembly standing committees; being the highest state administrative organ, on the one hand it provides the system of administrative organs (people's committees) at all levels with hierarchical leadership that is direct, quick, and responsive, and on the other hand it builds and exercises the national administration that includes guiding and controlling the activities of people's councils at all levels; supervising the activities of mass organizations and political, social, and professional organizations in accordance with the law; and managing administrative and judiciary work.

To carry out its functions, the government has the power to set rules (to issue documents to legally set regulations). This is a very important power vested in the government to prove that the government is the organ of state power in the executive field. The government is a collective set up by the National Assembly and is responsible to it, but the government is a collective of ministers recommended and led by the prime minister. Therefore, the government is under both the collective system—collectively discussing and making decisions about resolutions and decrees—and the system of chiefs issuing decisions and directives, but it does not matter whether the collective makes decisions or individuals make decisions, the person who is responsible to the National Assembly still is the prime minister.

According to article 112 of the Constitution, the government has 11 duties and powers, which can be summarized in the following fields: law and judiciary administration; economy; science and industry; culture, education, information, sports, and tourism; social affairs and public health; nationalities and religion; national defense, national security, and social order and security; foreign affairs; and organization of the state administrative system.

An issue that is raised is "The government issues resolutions and decrees." The important issues that fall under its authority must be discussed collectively and decided according to the majority's votes (article 115 of the Constitution). The government's resolutions and decrees thus reflect only the more important issues, rather than all issues having to do with its authority. The important issues that have to do with the government's authority, in our opinion, are as follows: the program for drafting legislation and regulations every year; discussion of legislative bills and draft regulations; strategy for socioeconomic development; proposed five-year and annual plans; proposed and final annual state budget; government reports on the socioeconomic situation sent to the National Assembly; policies and measures aimed at managing and speeding up development of sectors and fields for all economic components; issues related to organization of administrative machinery, boundaries;

establishment, merging, and dissolution of organs subordinate to the government; regulations regarding organization and operations of ministries, government organs, and people's committees at all levels; and foreign-policy issues.

According to article 110, the government is composed of a prime minister, deputy prime ministers, ministers, and other members. The prime minister plays a very important role. Article 114 of the Constitution defines six duties and powers having to do with leading the government, its members, and people's committees at all levels. He is not the chief of the government but the person who heads and leads the government. The forming of the government is proposed by the prime minister and approved by the National Assembly. Deputy prime ministers, ministers, and other members of the government are appointed, released from duties, and dismissed by the prime minister through his proposals. Therefore, deputy prime ministers, ministers, and other members of the government must be first of all responsible to the prime minister. When a member of the government commits a mistake or shows a shortcoming, he must be personally responsible to the prime minister and to the National Assembly, but the prime minister is also responsible to the National Assembly.

Because the prime minister leads the work of his government, when an issue that is discussed and decided by the government fails to be resolved by a majority of votes, the prime minister will decide (i.e., the prime minister's vote will bring a majority to where he casts his vote); or when an important issue is collectively discussed by the government, the prime minister has the power to suggest that a vote be delayed to allow further study of the issue; or in the case an issue has been collectively discussed by the government and resolved by a majority vote, the prime minister would have the power to propose that the issue be discussed again and submitted to a new decision if he found irrational things in such a resolution.

In the case the government does not have time to meet again yet, the prime minister has the power to make his own decision on an important issue having to do with the authority of his government (which requires collective discussion and a decision based on a majority of votes), but he must later report it to the government at its next meeting.

The prime minister has the power to release from duties, transfer, and dismiss chairmen and vice chairmen of provincial and municipal people's committees subordinate to the central authority. According to the Constitution, chairmen and vice chairmen of people's committees are elected and dismissed by people's councils at the same level, or can be dismissed by voters. But because the state administrative organs constitute a unified system that operates quickly, responsively, and effectively from central to local level, the Constitution gives the prime minister the power to release from duties, to transfer according to work needs, or to dismiss chairmen and vice chairmen of provincial and municipal people's

committees subordinate to the central authority whenever they are involved in serious shortcomings and mistakes. This rule set by the Constitution in this regard conforms to the principle of democratic selection of administration cadres, i.e., the people's representative organs electing them and dismissing them, but in the process of running and managing the country this power is vested in the prime minister, the highest-ranking person being responsible to the National Assembly (the people's highest representative organ), who has the power to release people from duties, to transfer, and to dismiss them. This is a principle of organization and operation of the state administrative machinery that shows that the government is the highest state administrative organ of the SRV. This rule is to "ensure the effectiveness of the state machinery from central to basic level" (article 109), to "build and perfect the unified system of the state administrative machinery from central to basic level," and to "provide basic and advanced training, and organize and utilize the state's civil servants" (article 112).

The prime minister guides and controls the people's councils in regard to implementing the official documents of superior state organs. The people's councils are the organs of state power in localities and represent the local people's will, aspirations, and ownership right. The people's councils execute the Constitution, laws, and official documents of the superior state organs (the government, people's councils, and people's committees at superior levels); issue resolutions in regard to the measures needed to seriously implement these documents in localities; and do not have the power to set any rules that go against these documents. Consequently, because the prime minister is the head of the highest state administrative organ, he has the power and the responsibility to guide and control the people's councils in regard to implementing the official documents of superior state organs. The fact that the people's councils do not belong to the system of state administrative organs but still have to seriously implement the official documents of superior state organs makes it necessary for the prime minister to provide them with guidance and to create favorable conditions for them to fulfill their tasks and powers as dictated by the law. When the prime minister checks the people's councils to see if they implement the official documents of superior state organs and finds violations, he has the power to stop the implementation of their resolutions, to suggest that they be revised and supplemented before resuming their implementation, and in the case of serious mistakes to recommend their abolition by the National Assembly Standing Committee.

This also reflects the fact that our administration is one of the people, but because our state has unified powers, there are no central and local states. To run and manage the country must be unified and vested in the Government, which is the National Assembly's executive organ and the country's highest state administrative organ.

### Discussion on HCMC Party Organization

922E0174A Hanoi NHAN DAN in Vietnamese  
13 Jun 92 p 3

[Article by Le Huyen Thong: "Anything To Worry About Basic Party Organizations?"]

[Text] That was one of the questions raised at the conference of cadres at all levels held in Ho Chi Minh City [HCMC] to contribute opinions to the proposed plan for renovating and reorganizing basic party organizations. Everybody knows that the party organization of Ho Chi Minh City had had a long history of revolutionary struggle and had overcome many fierce historical challenges. That tradition was further embellished by the basic party organizations in the 17 years of peaceful construction full of difficulties and complications. In the last few years, the achievements scored in the renovating efforts and the development of the mass movement in many localities, which took place first of all as the result of the work of basic party organizations, really constituted the nucleus of leadership and a bridge linking the party and the people. The party bases here have been not only the combat units that bring the party's policies and the state's policies and laws into the daily life but also where party members are tempered, grow up, and are submitted to screening as the rules dictate. It is obvious that the party's strength originates from the stability and strength of the basic party chapters and organizations.

### Real Situation and Reasons

As we look at the truth and make a serious review, we will find that not very many party organizations have fulfilled the need for being stable and strong. More than two-thirds of Ho Chi Minh City's basic party organizations are still rated average. Among them, 15 percent are really weak ones. This state of affairs is most evident in the production and business sector and in a number of administrative and professional organs and rural villages. In those basic party organizations, although many party members have good academic background and specialized skills, they attached very little importance to party activities and did not know how to do work for the masses. Since the adoption of Decision 217 of the Council of Ministers, there has been a lot of confusion in regard to the leadership role of the party organizations in production and business installations. A lot of trouble developed in the relationships between party committee secretaries and directors; and in some installations, the loss of solidarity was serious. Some basic party organizations in such installations were rendered almost totally inefficient. Because of their ties created by the "interests mechanism," some economic units which had committed negative acts came under the protection of party chapters, which covered up their directors' wrongdoings. That gave rise to the masses' complaint: Party chapters "side with (directors) to get benefits." As to the forms of party bases assuming total leadership, such as those at the subward and village levels, their functions and duties were far from clear-cut; the relationships between the

party and the people were not as close as they had been. Some basic party organizations were turned into administrative ones to such an extent that they became bureaucratic, were cut off from the people, and virtually avoided the task of uniting workers from various sectors and occupations.

The cadres at the conference unanimously recognized the fact that when we switched to the new economic policies and new management mechanism, we did not attach proper importance to party building in general and reorganizing basic party organizations in particular. The reasons behind this real situation included the municipality's party organization failing to fulfill its duties and the party's macrocosmic management. The Municipal CPV Committee failed to attach importance to properly doing its work, namely, educating, controlling, screening, managing, and training party members. The Central Committee was slow to set rules to clearly define the functions and duties of various forms of party organizations and lacked a system of policies applicable to them that would be suitable for a market economy. However, the prolonged weakness was first of all caused by neglecting the management of party members, violating the principle of democratic centralism, and failing to perfect the basic-level party committee echelons, which included secretaries of both basic party committees and sectional party chapters.

As we look back, at the time we were prepared to liberate Saigon, there had been only 1,290 members of the party organization. In more than 17 years, in addition to the increased party membership, the municipality's party organization admitted nearly 43,000 party members, which accounted for more than 54 percent of the present total of nearly 79,000 party members. Through a recent investigation, the quantity and make-up of party members in the municipality showed these noteworthy characteristics:

One, party members in subwards and villages accounted for 37.6 percent of the total number of party members. Among them, party members being retired and incapacitated cadres in subwards accounted for 73.13 percent. In the 1st, 10th, and 3rd precincts, their percentage was very high (83-92 percent). This situation gave rise to two outstanding needs: to have an early decision to allow old, weak, and sick party members to be exempted from doing party work and taking part in party activities; at the same time, to have appropriate policies to mobilize and utilize healthy members still able and willing to take part in leadership at the basic level.

Two, party members who were workers being directly involved in production accounted for a pretty high percentage of the total number of party members in the industrial production sector. But these enterprise production workers accounted for only 8.9 percent of the total number of members of the municipality's party organization. This figure was too low a percentage for an industrial zone like Ho Chi Minh City. In the last few years, many party chapters were paying attention to

party expansion among workers. What deserved attention was the fact that because they had to work under pressure of production conditions, namely, operating pieces of machinery for long hours, and had to depend on transportation provided for their shift to have rides to and from work, party members found that they could not afford to learn and to take part in party chapter activities. In addition, for some party members, the fact that their families were in difficult economic situation did affect their will to fight and even led to applying for voluntary withdrawal from the party (as in the cases of seven female party members-workers of Hong Gam Federation of Textile Mills in 1991).

Three, female party members accounted for only 24.9 percent. In the last few years, the numbers of female cadres in party committees at all levels had been decreasing, particularly in Cu Chi, Can Gio, Nha Be, and Go Vap Districts. To underestimate the need for party expansion in the women's associations was the first reason behind the gradual decrease of the numbers of female leading cadres at all levels.

Four, more than 50 percent of the municipality's party members admitted after 30 April 1975 were young people. Currently, 15 percent of its party members were under 30 years of age. However, the party-expanding work recently suffered from a decline, both quantitative and qualitative. In 1991, 75 percent of basic party organizations did not engage in any party-expanding work aimed at getting new party members. It was because party expansion had been underestimated that many state-operated economic units and organs engaged in scientific research, culture, arts, public health, and education were short of qualified replacement cadres. In residential areas, for some time attention was being paid to expanding the party only among the cadres and civil servants of subwards and villages. Party chapters virtually failed to admit outstanding people among the common working people in hamlets and neighborhoods, ethnic Chinese, and religious followers.

The above-mentioned party membership quantity and make-up had directly affected party members in three aspects: their political quality, leadership capabilities, and revolutionary morality.

#### Where is the key factor?

The Ho Chi Minh City Municipal CPV Committee had asserted that the key factor having a decisive significance for reorganizing our basic party organizations would be to attach importance to improving the quality of party members and perfecting the party committee echelons at the basic level, particularly secretaries (secretaries of both party committees and sectional party chapters). This process was to include consolidating and reorganizing the current membership and at the same time gaining quality in expanding the party by admitting outstanding people from the masses. The first need that was proposed was to correctly evaluate the real situation. The Municipal CPV Committee attached importance to

praising and citing as examples those party members from many successive generations who had strong political abilities, maintained revolutionary morality, calmly distinguished between right and wrong, and resolutely contributed their efforts to the renovating task. Recently, after the events leading to the collapse of socialism in Eastern Europe and through our country's realities, the fact that our party's solid political abilities and correct line on renovation were made clearer by such events helped to gradually awaken a number of people, including active party members and retired cadres, who had advocated through a vague understanding the multiparty tendency. However, when we switched to the market mechanism, the leadership capabilities of party members were raised as a major challenge for the municipality's party organization. Many party members were unable to keep pace with the needs of their new task. What was noteworthy was that because party chapters had neglected their management task, some party members who had failed to train to improve themselves, including quite a few who were in positions of power, or directly managed the state's money, goods, and materials, and cadres who worked in real estate-land, customs, and tax affairs sectors, now took advantage of the cracks in the system to take bribes, to indulge in corruption, to get rich in an illegal manner, to live in debaucheries, and to cause much resentment among the people. In a number of basic party organizations, the prolonged loss of internal solidarity was caused by ambitions to gain power, factionalism, and localism. Faced with new challenges, some party members began to vacillate politically; others even became lackeys of the enemy and were taken advantage of by bad people. The Municipal CPV Committee should adopt measures to cite the examples of good party members who have struggled hard, to influence the persons who are qualified for becoming party members but still have some weaknesses, and at the same time to deal in time and decisively with those who have violated discipline. Among the latter, it should firmly expel from the party the backward and degraded members. All of the 125 delegates who were asked to express their opinion believed that it would not be easy to consider and justly handle the cases of violators of discipline. However, it would be even more difficult to improve the intellectual capacity and qualities of party members and through this achievement to strengthen the relationships between the party and the people. Many delegates suggested a number of measures aimed at carrying out our party-expanding plans and concentrating on discovering and training good people, testing, and creating sources of prospective party members. An important thing would be to consolidate the Youth Union and to create favorable conditions for getting young party members from it, but at the same time standards and quality conditions should be met.

The process of consolidating party organizations is closely linked with the leadership quality of basic-level party committee echelons. Their ranks change by more than one-third at each and every party congress. But the new party committee secretaries do not have leadership

experience, nor are they trained in time. Party committee secretaries in most cases have to shoulder also specialized work. At the recent second-round congress, many party members who spoke emphasized that they would not want to do party work, nor to hold the position of party committee secretaries, because the directions for basic party organizations' operations had not been clearly set and partially because there was no appropriate party policy on rewarding the good members. It is therefore necessary to attach special importance to perfecting the basic-level party committee echelons in the key locations and fields, such as subwards, villages, production and business units, staff organs, and internal affairs groups. Many speakers suggested that party committee members and cadres having a lot of experience and a good sense of responsibility be assigned the task of directly leading and consolidating the weak party bases. All delegates proposed that attention be paid to improving the procedures and policies that would affect the cadres who do party work. First of all, there must be regulations and procedures to institutionalize policies, allowances, wages, and expenses for the party at every level, particularly in favor of cadres in charge of doing party work, as well as cadres holding more than one position. It is necessary to adopt early an appropriate wages policy in favor of cadres at the subward and village levels.

Hundreds of opinions expressed in Ho Chi Minh City supported the suggestion that the Central Committee concretize by regulations and clearly define the role, functions, duties, and leadership formula applicable to each and every form of basic party organization, and that utmost importance be attached to improving the activities of party chapters in conformity with each and every form of party base.

Many others also suggested that the system of party organizations at higher levels be perfected in order to create favorable conditions for reorganizing party organizations at the basic level.

#### Secretary Comments on Youth Union Members

922E0177A Ho Chi Minh City TUOI TRE  
in Vietnamese 6 Jun 92 pp 1, 8

[Excerpt From Speech by Pham Phuong Thao, secretary of the Ho Chi Minh Youth Union, at the Fifth Youth Union Congress: "Are We Losing a Generation of Youth Union Members?"]

[Text] If one enters deeply into the actual Youth Union work, one can see encouraging signs: a large number of Youth Union members and cadres have steadfast ideals and go all-out in searching for and affirming good models that are in accord with the economic-social development laws and the lives of youths. However, there are still many worries: the situation of youths undergoing crises with regard to their ideals and rapidly breaking up into factions, and the number of Youth Union members declining greatly as the Youth Union



organization ages. At some precinct and district Youth Union congresses the average age was 28, and at one provincial congress the average age was 29.8. The average age at the forthcoming Ho Chi Minh City municipal Youth Union congress the average age will be 30.5! That shows that nearly all youth representatives are now about 30 years old, and sometimes they are older than the Youth Union itself. Are we losing a generation of Youth Union members, so that there will exist only a generation of Youth Union cadres? In actuality, there are fewer and fewer Youth Union members in the 18-20 age group. In the past, some party members were only 18 years old. After the liberation, some of the municipal Youth Union standing committee members and deputy secretaries were 18 years old.

The municipal Youth Union is only 25 years old. Today, it appears to be truly difficult to find members of Youth Union standing committees at the provincial and municipal levels who are under 25. It is not that there are no new factors; perhaps we have not yet recognized them because of limitations regarding knowledge. Some people have served as subward (or village) Youth Union chapter cadres for 10 years but still think that there is no one to replace them. Is that the case? Some people ask, if we are replaced, what will we do? That is a painful truth: we have not yet prepared jobs for Youth Union cadres who are replaced!

Furthermore, the Youth Union work still has many limitations: its social position in the political system has declined and its material bases and activity funds are still very poor. Can the Youth Union play the role of a trustworthy and attractive friend of youths against the background of our activities usually being organized in the "self-supporting" style, without large investments; the organization of sports being inferior to that of the physical education and sports sector; and the organization of cultural events being inferior to that of the cultural-information sector, i.e., inferior to the functional sectors? In many places Youth Union cadres often complain about policies, regulations, and funds, but seldom pose specific problems regarding youths so that they can be specifically resolved. Thus, is it not a fact that there are still some places that demand much but have not yet clearly affirmed themselves? Some people ask where we should begin to renovate. I think we should begin at the basic level. If the basic level is weak the entire system will be in crisis, there will be no source for cadres, and there will be no strength. The problem that is posed now is the vitality of the basic level. More specifically, it is necessary to determine the model for the existence and development of the Youth Union chapters under the new circumstances: what will their structure, functions, and responsibilities be? Those are basic problems of Youth Union organizations that the Sixth National Youth Union Congress will resolve by drafting guidelines and statutes and making clear stipulations regarding the selection and training of Youth Union cadres.

As regards the future model, of course there will be much debate. In a difficult situation, should we lower the standards for Youth Union members and the nature of the Youth Union organization? Or, on the contrary, should we require that higher standards and quality be met and accept limited numbers, accompanied by limiting the long-standing poor-quality aspects of the Youth Union organizations? At any rate, it is necessary to affirm the existence and development of the Youth Union as a progressive environment that is beneficial to Youth Union members and youths. In that environment, all cadres and Youth Union members must be provided full, timely information so that they can contribute by affirming their ideals, living lives with kindness and solidarity, and helping one another build the Youth Union into a good friend of youths. If that is to be accomplished, it is necessary to resolve many basic problems of the Youth Union in order to ensure that over a period of five to 10 years in the Youth Union its members will become good people and take the initiative as central figures of the Youth Union organization, truly influencing their steeling and progress.

Many people evaluate highly the coming national Youth Union congress because of the requirement of renovating its action program, organizational program, and statutes, in order to rapidly come to grips with the situation of the Youth Union and youths and avoid the quantitative and qualitative decline of the recent phase. For our part, with their tradition of dynamism and creativity the youths of Ho Chi Minh City should take many valuable initiatives to contribute systematically and methodically to the national Youth Union congress.

### Youth Union Holds Seminar on Expanding Party

922E0173A Hanoi NHAN DAN in Vietnamese  
29 May 92 p 1

[Article by Pham Dao: "Party Expansion Among Hanoi Youths"]

[Text] The Hanoi Municipal Youth Union has just held a seminar on advanced training for and recommendation of outstanding members for party admission, as well as on party expansion among Hanoi youths. The secretaries of youth union chapters in subwards, villages, colleges, and vocational middle schools, and a number of leading party committee echelons expressed their opinion to the effect that a majority of youth union members and youths have been training themselves and unsuccessfully trying to join the party and that the reason was the party and youth union organizations, particularly at the basic and chapter levels, have failed to attach importance to the party-expanding task, nor to expanding the party among youths. According to the Municipal Youth Union's report, 20 of 54 party chapters in Soc Son District did not have any party-expanding activities for 4 consecutive years; 600 neighborhood party chapters of Dong Da Ward also failed to expand themselves in four consecutive years. Meanwhile, very many subward and ward youth union cadres have

remained candidates for party admission for from two to eight or 10 years without being accepted. As a result, the Hanoi party organization admitted only 1,500 new members in 1991, as compared to 4,813 in 1988. The percentage of youths being admitted to the party decreased from 44.5 percent to 38 percent (from 1988 to 1991). To overcome such a situation, the seminar recommended many measures aimed at consolidating and renovating youth union activities, and raising the quality of youth union members so as to get more outstanding members to recommend to the party for admission. The youth union cadres presented a resolution to the party committee echelons suggesting that the quality of youth union leadership be improved because a strong youth union would help to make the party stronger. The urgent thing to do now in regard to promoting party expansion among youths is to struggle against the conservative and narrow-minded thinking and views and prejudices that prevail in judging those youths who are trying to join the party, and to consider party expansion among youths a regular and important task of each and every party chapter and member.

#### **Professor on Renovation for Socialism**

*922E0175A Hanoi NHA NUOC VA PHAP LUAT  
in Vietnamese Jan-Mar 92 pp 3-8*

[Article by Nguyen Duc Binh, professor of philosophy at Nguyen Ai Quoc Institute: "Political Science: Renovation for Socialism and the Main Tasks of Political Science"]

#### **[Text] I. The Urgent Need To Build Vietnamese Political Science**

Revolution is a great cause, but the revolutionary path is very tortuous and complicated. The whole experience of Vietnam and the world has proved that a revolution cannot achieve victory and safeguard its gains if it lacks the correct, clear-sighted, firm, and dynamic political leadership of a party tempered in struggle. In addition to a correct political line, there must also be a contingent of revolutionary cadres sufficiently equipped with political skills, political experience, and political knowledge to introduce that political line to the masses and efficiently organize its implementation.

Once the party has assumed the leadership of the administration, the above-cited requirements do not diminish; on the contrary, they become even more exacting. This is because when the party holds power, its political line becomes a national policy and state law and directly affects the whole social life and the fate of all social classes and strata and of each person. A host of new and highly complicated problems are posed in the socioeconomic and political fields and in the domains of domestic and foreign affairs. The party has to pay for every political mistake it makes, and the price is usually heavier than when it has not yet been able to seize power.

In the process of leading the revolution, our party has accumulated substantial political experience. The time-tested political ability of the party and its contingent of key leading cadres, and the political awareness of the people which has been elevated in the long process of revolutionary struggle, are a factor ensuring our party's capability to overcome many trials, including the current great challenge. However, our party has not been able to avoid weaknesses and shortcomings, particularly in leading economic building. It also has not yet done a good job of building the state, the people's mastery, democracy, the legal system, and social order and discipline.

The renovation undertaking initiated and led by the party has recorded very important initial achievements over the past five years. The party's correct renovation concept and line have really made their way into life; the economy has advanced in a positive direction; and there has emerged the possibility of the country extricating itself from the state of socioeconomic stagnation and crisis. This is the basis for stabilizing and renovating the political system, gradually making social relations healthy, and step by step consolidating the people's confidence in the party and regime.

Essentially, to renovate means to find an effective way to socialism. But renovation is a protracted and difficult undertaking. Over the past five years, aside from its many successes, the renovation process has also suffered from not a few mistakes, shortcomings, and deviations.

The seventh party congress, which adopted the Platform for National Construction in the Period of Transition to Socialism and the Strategy for Socioeconomic Stabilization and Development, made an incisive review of the renovation process, pointed to the major lessons to learn, the basic directions to follow to attain the socialist goal, and the major guidelines and solutions concerning socioeconomic, domestic, and foreign policies. However, not all problems have been concretely and fully resolved.

Over the past years, particularly in 1991, the international situation developed in a extremely complicated manner, especially after the collapse of the Soviet Union. We are being confronted with an unprecedented challenge that is, first of all, a challenge in political thought. This situation demands that we combine unshakable steadfastness in our revolutionary principles and on our path to socialism with an extremely flexible, wise, and dynamic practical policy to take the revolutionary cause forward, step by step.

The political experience we have accumulated is extremely precious, but absolutely it must not be regarded as sufficient for us to meet the demands of the practice of revolution nowadays. The following question alone suffices to show how firm and clear-sighted a party must be if it wants to carry out renovation and reform, that is *the question of resolving the relations between economic renovation and political renovation*. Of course, Lenin's advice on the relations between economy and

politics will continue to illuminate our problems, but the situation is much more novel and complicated now than it was in Lenin's times. The initial successes recorded in the renovation undertaking are attributable first of all to the party's correct perception and resolution of this relationship. We cannot be subjective and self-satisfied, however. In carrying out renovation, we must learn while proceeding. This is because, generally speaking, there are no books to teach us what we should do. This also holds true in the political domain—an area that could be said to be our traditional strong point—and this means we must also learn. The practice of renovation in our country and events in the socialist countries are highly valuable lessons of practical politics. The current juncture in our country is the one when *renovation of the political system* has been placed in an extremely important position while economic renovation still continues to be the central task. Political renovation is not only aimed at realizing the democratization of the country's political life; it also is a condition for and a factor in ensuring an efficient continuation of economic renovation. The question of democratization and, along with it, the renovation of the political system, require that we must have the necessary political knowledge, that is, knowledge of a scientific nature. Generally speaking, to resolve the current, extremely complicated practical political issues, politics must rely on accurate scientific theoretical bases, because politics is more like algebra than arithmetic and more like advanced mathematics than elementary mathematics. In the current conditions, politics must rely even more on scientific bases. At this juncture, the following reminder by Lenin has become especially significant: Subjective wishes and impatience cannot be used as the basis for policy-making; and leading and managing cadres should be equipped with scientific and systematic political knowledge and should not be content with their empirical knowledge. Politics is an issue bearing on millions of people; it concerns the leadership and the mass organizations and has a direct impact on the state of mind of millions of people in the struggle which is being waged in myriad forms and which is constantly changing, but which has unified and definite goals and orientation. Politics is both a science and an art.

Our party has considerable political experience; for many reasons, however, we have been slow in reviewing and analyzing this experience in its theoretical aspect. Our belatedness in building a political science with a relatively independent object for study is probably due partly to the fact that we have for a long time identified the theory of scientific socialism with politics and have had a wrong conception of the relations between the general and the particular, between laws of a world-outlook character and methodology with its peculiar laws in the political domain.

Today, a scientific knowledge of sociopolitical issues and a capability to tackle political tasks have become an extremely serious requirement for leading and managing cadres at all levels and in all party and state organs. In

the conditions of the development of the multisector commodity-based economy along the line of socialism; in the conditions of the radical democratization of social life, the development of international exchanges, the information explosion, and the constantly rising intellectual standard of the people; and in the conditions of the class struggle and the ideological and political struggle on the world scale becoming increasingly complicated and subtle, an astute perception of—and a quick reflex in dealing with—practical political problems at home and in the world are extremely important attributes of party cadres as well as leading and managing cadres. Very often, the lack of theoretical knowledge, the lack of a basic and systematic knowledge of political science, and the lack of political culture may lead us to make regrettable mistakes. An obvious proof of the backwardness of theory and the untimeliness of social sciences is that, to date, in the system of party schools and in our colleges, Marxist political science is still not taught and there are no textbooks on political science and no research institutes specializing in this field.

Obviously, to overcome the remaining problems mentioned above and to raise the standard and quality of political leadership and political education, we must set about developing the Vietnamese political science at an early date. We should gather soon a force of specialists and scientists to work in this important field. Results of research should timely serve the renovation undertaking; first of all they must meet the need to heighten the theoretical standard and the intellectual and thinking power the party. The question of developing political science has become extremely pressing at a time when utterly complicated political changes and ideological struggles are taking place throughout the world. Never before did the enemies of socialism feel they had as many opportunities to oppose and undermine the revolutionary forces as they do now. Events in the (former) Soviet Union and other countries have certainly had a strong influence on our country, particularly in the political field. Our country has become a key target of opposition and sabotage of hostile forces. Political science and other disciplines should concentrate on studying world events to promptly draw the freshest possible lessons therefrom. With a firm grasp of the political science, we will be able to struggle more effectively in defense of national independence and socialism and to advance steadily on the path we have chosen.

At present, our socialist-oriented renovation undertaking not only makes demands but also creates favorable conditions for the development of political science. A combined, intersectional discipline, political science has the task of doing basic and applied researches on various issues to directly support the party leadership, state operations, and the shaping and development of society's political culture, and to heighten the people's political positivity in building a prosperous and strong country that advances to socialism step by step.

## II. Vietnamese Political Science Considers Marxism-Leninism and Ho Chi Minh Thought To Be Its Foundation

As a scientific discipline, political science has long been the object of keen research in many countries in the world. In developed capitalist countries such as the United States and France, considerable importance is attached to this science. This is understandable: Such treatment is required by capitalist class and national interests and by modern capitalist social management. Obviously, here political science is not an ornament but an effective prop of the bourgeois domination of society. Meanwhile, in the socialist countries themselves where politics and classes are talked about extensively, this science has been neglected. During the restructuring period in the (former) Soviet Union, there was talk about the backwardness of Soviet political science. This was not wrong, but the question is how should that backwardness be understood and overcome. "New political thinking" was put forward and the question of developing a political science along that line was raised. In series of research projects on this subject, people touched on all angles of political relations and political science, except one point: *the class issue*. Even the "class" notion was not mentioned very often, and when people did bring it up, it was for the purpose of criticizing it. Yet, in the final analysis, politics essentially concerns the relations among the classes and class struggle. To put it more broadly, politics is about the sphere of relations among the classes, nationalities, and human communities, and of relations between citizens and the state. It also concerns relations among nations and states. Politics is about state power, state affairs, power establishments, and the activities of political parties and sociopolitical organizations. Bourgeois political science conceals the class character of political power even though political relations, in terms of their forms of expression, are broader than class relations. Of course, in political science there are laws common to many societies where different classes exist, and such laws are all applied by these classes, but for different purposes. However, there are many sociopolitical laws that the bourgeoisie cannot recognize—or openly recognize—and those are the laws concerning the class character of the bourgeois state and the struggle of the oppressed and exploited classes. It is not that western political science "transcends the classes" as somebody has put it; in fact, it does give an extremely profound and subtle expression to the class character.

We positively affirm that the political science we are developing is not a nonclass science, that renovating our concept of political science building does not mean renouncing or diluting our class stance and class viewpoint. Naturally, we must overcome a number of incorrect, narrow, and infantile concepts of the class and party character that we often espoused in the past. We should make a distinction between direct social and class relations such as those among political parties, and relations "with a class character" such as national, geopolitical, and other relations, and so forth.... Many current global

issues do not directly manifest themselves as class-related problems but as ones with a universal character, such as the environmental question....

A question is posed here: Are there political laws? Or aren't they only a reflection in our minds of the objective socioeconomic relations? Politics is a concentrated expression of the economy. Compared to economy, politics is only a reflection, a "second nature" of economy. There are no political relations and laws that are absolutely independent from economic relations. However, politics (including political consciousness, ideology, institutions, and actions) has a *relatively independent character* and relatively independent laws. Political relations also have an *objective character* because they are not created by people's subjective will. If we do not recognize this objective character, we will not have the basis for raising the question of building political science. Economic activities, economic needs and interests... are reflected and embodied in many aspects of social life, but they find their fullest and most comprehensive, striking, and profound expression in politics, most importantly, in the political lines of various political parties and states. The class that holds the power to control society economically is also the class that rules it politically and holds state power, and the ideological system of that class, of which the political ideology is the most important factor, is the dominant ideology of society. Any political regime is built and operates on a definite economic basis and a definite economic system. The real and current life has shown where an intent to develop a nonclass political science, a so-called "new" political thinking, by shoving aside the class viewpoint and class struggle, may lead to. It is necessary to point out that that kind of political thinking itself is not devoid of the class character; but, the character of which class is it? Perhaps we do not have to rely on history for an answer to this question. What we need is the development of a political science that *closely combines in itself the class character with the scientific and practical character*. We have got everything it takes to develop such a political science. With correct political orientation and with a sound scientific character accurately reflecting sociopolitical ties in their dialectical relations with the economy, political science is a sharp tool in the revolutionary cause of our working class and people under the party leadership.

The political science that we are striving to build is the constantly developing and creative Marxist-Leninist political science, which timely reflects the changes of reality and the modern achievements of human civilization, and which is capable of meeting the requirements of the basic and pressing political tasks of the renovation process. This political science is also a sharp weapon in the struggle to defend the socialist system and the revolutionary achievements recorded by our people over the past six decades and more under the party leadership. Vietnamese political science *considers Marxism-Leninism and Ho Chi Minh thought to be its foundation*. Concerning Marxism-Leninism, nothing more needs to

be added here. It is necessary only to comment further on Ho Chi Minh thought as the foundation of Vietnamese political science. Ho Chi Minh was the eminent political leader of our nation and party, one of the greatest politicians of our time. His thought consists mainly of political thought, which is the result of the creative application of Marxism-Leninism to the concrete conditions of Vietnam. His political viewpoints and lines are a harmonious combination of the Marxist-Leninist doctrine—the revolutionary and scientific thought of our time—and the patriotic tradition and cultural quintessence of the Vietnamese nation. Ho Chi Minh's political thought and activities are notable for the following characteristics: extremely profound patriotism, popular character, and humanism, which are manifested in both his political goals and the means he used to attain these goals; superior clear-sightedness, foresightedness, broad vision, sharpness, quick-mindedness, and courage and decisiveness in formulating strategies, tactics, and countermeasures in any circumstances; practicality, simplicity and efficiency, political integrity, consistency between words and deeds, and so forth... Politics Ho Chi Minh-style consists in "how to make our country completely independent and our people completely free, how to provide everybody with food, clothing, and education," in that "our entire party and people stay united and strive to build a peaceful, unified, independent, democratic, prosperous, and strong Vietnam capable of making worthy contributions to the world revolutionary cause." Ho Chi Minh's politics is about "national independence and socialism." Our renovation undertaking is the continuation of his politics to achieve the goals he always wanted to attain.

Thus, the central point of Vietnamese political science is the question of national independence and socialism, of providing all our people with food, clothing, and schooling, and of enabling everybody to become masters of society and the country.

Our political science is based on the dialectical materialist world outlook and methodology, historical materialism, Marxist economic theory, and scientific socialism that is perceived in a nondogmatic manner and always develops in a creative manner in accord with changing reality. As time has changed, some concrete themes of Marxism-Leninism must also be changed, readjusted, supplemented, and developed. However, the most essential and vital point, the "living soul," the "constant" that should be used to cope with the "inconstant" as Ho Chi Minh put it, still retains its factual and epochal character. This is dialectical thought, a materialist concept of history, the scientific theoretical basis of the historical necessity of socialism on the path of mankind's development. This is the confirmation of the historical role of the vanguard class paving the way for the historical development mentioned above, namely the modern working class.

The political science we develop is the application of the fundamental principles of Marxism-Leninism and Ho Chi Minh thought to the study of the current political

relations and political realities. This science must be concretized and ceaselessly developed in a creative manner in keeping with the constant changes of reality in order to be able to resolve the most complicated political issues posed by national construction and defense and by the socialist-oriented renovation undertaking of our nation. At present, Vietnamese political science is being faced with a pressing problem, namely the further concretization, development, and deepening of our perception of the relations between economic renovation and political renovation; and the development of a scientific theoretical basis for the political renovation undertaking carried out along the line of renovating party leadership and state management, ensuring and heightening the people's role as masters in the process of building socialism, and realizing the democratization of sociopolitical life in conjunction with strengthening the legal system, order and discipline.

### III. The Basic Tasks of Political Science and the Current Pressing Issues of the Development of Political Science in Our Country

Like all other sciences, political science has its own research objects and directions. As stated above, Marxist political science is built on the theoretical basis and methodology of dialectical materialism, historical materialism, Marxist political economics, and the theory of scientific socialism. The importance is to bring out the difference between scientific socialism and Marxist political science. As we all know, scientific socialism studies the sociopolitical laws of the revolutionary transformation of capital society into communist society and the law-like character of the sociopolitical aspect of socialist construction. This is the *direct* theoretical basis of Marxist political science. Political science focuses its research on the political domain including political relations and the laws governing the shaping, operations, and changes of political systems. Political science does not stop at the general principles; it encompasses concrete issues in the political field such as political relations, political organizations, political activities, and political struggle. It is not confined in proletarian politics.

Political scientific research has a very broad and diversified content. I think that all the following questions are within the realm of political scientific research: theoretical doctrine about the party and the ruling party, the characteristics and requirements of state management, relations, and interaction among leading and managing entities, the role of various methods in management, social control, the operating mechanism of democracy in the political system of society where power belongs to the people, the formative process and influence of political culture on the popular masses, and methods of mass political education, propaganda, and motivation. For us, a very important research content of political science at present is the question of democratization of social life in the conditions of the multisector commodity-based economy in the system of a single leading party. Our

political science cannot overlook the study of the political aspect of class relations and class struggle, which should be correctly perceived and should not be understood in a dogmatic, leftist manner as in the past. The current situation has given rise to extremely complicated political issues which should be studied with special attention by political science, such as the issue of peaceful evolution and opposing peaceful evolution, the issue of "counterrevolutionary situation" as raised by the experiences of East Europe and the Soviet Union. These are problems we have never thought of before.

At the *theoretical level*, political science studies political doctrines; history of political thought; the essence, characteristics, and forms of political relations; and relations between politics and economy and other aspects of social life. With regard to the party, political science attaches importance to studying the factors enhancing the political role and influence of the party on social life, the factors affecting the planning of lines and policies, the consolidation and development of the party's social bases, and the strengthening of the party-people relations. Concerning the state, political science studies this subject as a an institution of political power of the people under the party leadership; the principles and essence of state operations; and the organizational, managerial, and administrative mechanisms of the state. Political science must do research on relations among the party, the state, and social organizations in the conditions of socialist construction; it must study the renovation and perfection of its operational apparatuses and mechanisms to ensure that our state will really become a tool for the people to exercise their power and their right to political mastery. We should clarify the concept of "rule-of-law state," the relations between the class character of the state and civil rights and the universal character of legislation. Political science should study not only domestic affairs but also external political relations in the activities of the party and state. Relations among ethnic groups and nations are also an important subject political science should study.

At the *application level*, political science concentrates on studying the *issues of political technology*, concretizing thought and theories and general political strategies, and developing them into political programs and practical solutions. For example, applied political science studies "political climates" through surveys and assessments of social opinion. It analyzes the state of mind, political attitudes, and reactions of different objects at different junctures; it studies political dialogues, measures to deal with critical political situations, behaviors in political contacts with various social circles, and so forth.... If a political cadre lacks concrete political knowledge and skills imparted by applied political science, he may become very confused when confronted with complicated and delicate situations demanding timely and effective response.

Theoretical research must be closely combined with applied research.

Our party persists in the renovation line and in carrying out renovation in a principled manner, with paramount importance given to the maintenance of *political stability*. Political science should concentrate on studying the *dialectical relations between stability and renovation, between economic renovation and political renovation*. If we cannot preserve political stability, we will not be able to carry out renovation in all domains, particularly the economic domain. But if we do not strongly push forward the renovation process, if we do not carry out renovation in a correct and effective fashion, especially in the economic field, we will not be able to maintain political stability for long. Political science must resolve the issue of the role of economic, political, and ideological factors in ensuring political stability, and correct renovation of the political system along the line of democratization. All the questions that I have just touched on here must be elucidated by sound arguments of a political science built on the basis of reviews of political practice. These are urgent topical questions that political science must study and answer.

It is high time to urgently develop a political science teaching program for party schools and advanced training schools for the training of leading and managing cadres of the party, state, and political organizations. This program must be formulated in accordance with the party's renovation viewpoint and line, which are given concentrated expression in the documents of the seventh party congress. We must strive to rally at all costs the most capable forces to begin building and teaching political science at an early date at the Nguyen Ai Quoc Institute and in the party school system first, then in the national universities. Preparations should be made to set up centers and institutes for research on political science soon. Subjects for study must be concrete, realistic, and capable of practical application. Of course, we cannot make light of basic research because political science (just like in any other sciences) can hardly go far and deep and, worse still, cannot even become a genuine science if there is a lack of broad theoretical knowledge.

We have all the necessary conditions for developing research work in all of the directions mentioned above. The duty to overcome the backwardness in theory and social sciences does not allow us to delay anymore in a current leading field of study like political science.

## MILITARY

**Thanh Hoa Building Self-Defense, Militia Forces**  
922E0181D Hanoi TAP CHI QUOC PHONG TOAN  
DAN in Vietnamese May 92 pp 71-72

[Article by Lieutenant Colonel Nguyen Ngoc Son, deputy commander and chief of staff, and Lieutenant Colonel Hoang Van Ba, deputy commander for political affairs, of Thanh Hoa City Military Command: "Thanh Hoa City Builds Self-Defense and Militia Forces As Dictated by the Grass Roots' National Defense and Security Requirements"]

[Text] Basing itself on the reality of the new economic mechanism and from the real state of the self-defense and militia organizations, the military command of Thanh Hoa City holds that organization of the building of these forces must proceed in a new direction to ensure that they are capable of safeguarding local economic, political, cultural, and other targets... and can also do propaganda work and mobilize the masses to struggle against and frustrate the enemies' schemes to implement peaceful evolution, foment rebellions, and carry out subversive activities. We affirm that the basic principle to follow in building self-defense and militia forces is that it must **proceed from concrete national defense and security requirements at the grass roots**. All aspects of these forces—from quantity and quality to organizational scale and operational methods—must be dictated by these requirements, and only in this way will this task win the consent of the people, receive the support of cadres of various sectors and circles, and secure the approval and direct leadership and management of the administration and party committee echelons.

Under the unified direction of the 4th Military Region and the provincial military command, and, at the same time, basing ourselves on the real situation of Thanh Hoa City, we have **organized and developed strong mobile self-defense platoons** in various villages, subwards, organs, and units in the city's vicinity. The reason is that this is an area that needs a force to maintain public order and security in the city and to prevent forces that may cause instability from flocking to the province's political and economic center from various directions.

In keeping with this orientation, Thanh Hoa City has organized and built 27 fully staffed, fully equipped, and carefully trained mobile detachments. For its operation, this force relies chiefly on the bloc of state agencies and on economic units with stable production and efficient business activities. It is capable of operating regularly and can be moved about to deal with any situations within the city day or night. The 27 units are divided into three different forces: the first for direct combat operations, the second for propaganda and mass motivation work, and third for combat support activities. For example, the bloc of administrative and judicial agencies can take charge of the propaganda force. The electric power corporation, a successful economic unit of the city, can appoint specialists or bureau chief-level officials who are of good standard and experienced to participate in mass agitation and crowd-scatter activities at hot spots. The cultural and information office and wired-radio station can use their own means to explain problems to the people at various entrances to the city if large numbers of people try to march into the city from adjacent areas.... When they need to use these forces, the grass-roots units must report to the city so that it may work out a plan for readjusting and strengthening the forces, thereby creating proper conditions for each of their components to fulfill their duties.

Along with the setting up of the mobile units, the city's military command has rechecked all the 169 manpower

sources of self-defense and militia forces in the entire city. It has conducted drills and checked troop strength and equipment maintained in the combat-ready state in some key units. On this basis, the military command has consolidated and revamped self-defense and militia organizations, has provided them with additional manpower, has readjusted their troop strength and equipment, and has trained them in accordance with the common plan, thereby ensuring that these forces can operate regularly and orderly and stand ready to cope with any situation as planned.

Concerning the city's mobilization-read battalion, we have also selected troops from it and have concentrated on building them into a number of strong platoons capable of moving about to deal with "hot spots" if a complicated situation should arise.

This method of organizing self-defense and militia forces has been tested in and proved by Thanh Hoa City's local military work to be much more effective than the past methods. The self-defense and militia forces have dropped in quantity but have increased in quality. They are organized on a small scale, but this makes them trainable and manageable; but most importantly, it enables them to operate in the new conditions.

At present, the question of combining national defense with security at the grass roots is extremely important. In terms of force, national defense and security are almost united as one at the grass-roots level, and this unity is concentratedly reflected in the role self-defense and militia forces. At the grass roots, if the self-defense and militia forces neither clearly realize nor satisfactorily carry out both the national defense and security tasks, and if they do not combine them as one, then very often they do not have an object for their operations and sometimes lose their *raison d'être*. In such a case, if they continue to hang on, they would exist only in name, and the people, seeing that the self-defense and militia forces have nothing to do with their vital interests, would give neither enthusiastic encouragement nor financial contribution. On the contrary, if the self-defense and militia forces consider protecting the lives and property of the people and state to be the goal of their activities, and if the people see that the presence of self-defense and militia forces enables everyone, every family to live in peace and to enjoy the fruits of their labor, they would readily and unhesitatingly contribute manpower and material resources. This is a characteristics of the building of self-defense and militia forces in peacetime and under the new economic mechanism.

#### Article on Methods of Ensuring Logistical Supplies

922E0181A Hanoi TAP CHI QUOC PHONG TOAN  
DAN in Vietnamese May 92 pp 20-23

[Article by Major General Dang Huyen Phuong: "Continue To Perfect the Methods of Ensuring Logistical Supplies"]



[Text] One of the major policies on and measures of logistical work in 1992 of the Military Commission of the party Central Committee is to **continue perfecting the methods of ensuring logistical supplies.**

In 1992, since our national economy still faces many acute difficulties, continuing to perfect the methods of ensuring logistical supplies will have a decisively significant effect on the outcome of logistical work in general and on the task of ensuring soldiers' livelihood in particular. For more than four years (if calculated from late 1988, when we began conducting surveys and experimenting with partially and gradually changing the substance of the task of ensuring logistical supplies according to the renovated economic management mechanism as prescribed by the sixth party congress resolution) and for more than two years now (since the Defense Ministry issued an official decision in February 1990), the renovation of the methods of ensuring logistical supplies has quickly made its way into the lives of various units. All units have confirmed the objective necessity of this renovation. The renovated methods are superior and capable of producing practical results and actively and directly removing many difficulties and entanglements in the livelihood of troops at a time when the economy is facing numerous difficulties and shifting from the planned economy, which operated in accordance with the mechanism of centralized, bureaucratic, and subsidy-based management, to the multisector commodity-based economy, which functions in conformity with the market mechanism under state management. In the course of implementation, various units have been able to gain much experience and draw many diversified lessons. However, the new methods have also developed shortcomings that should be resolved by effective measures so that these methods could be further improved.

The overriding goal of the renovated methods of ensuring logistical supplies is: Using procurement methods suited to the state economic management mechanism in the period of transition to socialism and to the new situation and tasks of Army units to **strive to stabilize the living conditions of troops, manage and make economical use of logistical budget and materials, tightly maintain and manage combat reserve supplies according to regulations to promptly meet the demands of combat readiness and unexpected tasks.**

Thus, to ensure fruitful perfection of the methods of ensuring logistical supplies, **unit leaders and commanders** are required to directly apply themselves to organizing and directing a full and correct implementation of the renovated methods of ensuring logistical supplies; to promptly and accurately deal with all problems cropping up in the course of implementation; to educate soldiers to enable them to understand their responsibility and duty in logistical work... Only in this way will we be able to rally the sectors concerned (particularly the logistical and financial services) and arouse their collective sense of responsibility, and to mobilize to the maximum the potential of Army units and the sense of responsibility of each person to care for the living standard of their own

units and of every one of their members. Tight leadership and command and effective educational efforts will also enable cadres and soldiers to thoroughly understand the difficult situation of the country and encourage them to voluntarily make all-out efforts in productive labor, display self-reliance, and economically and efficiently manage and use the financial and material sources (distributed by the upper levels or produced by the units themselves through their productive labor). Only in this way will the living conditions of soldiers be stabilized. And only when soldiers' living conditions are stabilized can they have a welcome effect on the building of Army units, on the quality of training, on the maintenance of discipline.... And this will surely serve as a firm basis for the satisfactory fulfillment of Army units political tasks.

The process of perfecting the methods of ensuring logistical supplies is the process of making the logistic and financial services work in close coordination with each other in the spirit of collective responsibility for soldiers' living standard. If the financial service can provide 100% of the money needed to feed soldiers, the logistic service must guide, direct, and manage the provision of an amount of logistical supplies for consumers equivalent to 100% of the budget allocated. Under the direct administration and direction of their commanders, under the supervision and management and with the participation of all their units, these two services will be able to contribute to removing the difficulties and snags that may crop up in the process of providing logistical supplies according to the new methods.

**Organizing collective messes** (at the full-strength battalion and equivalent levels) is the basis for perfecting the methods of ensuring logistical supplies as far as troop feeding is concerned. Concentrated reception of provisions, slaughtering, food processing are possible only if there are collective messes, which will also create proper conditions for a tight and open management of food distribution procedures, food quantity standards, and food allowances. This will contribute to developing in soldiers the habits of regular troops in activities ranging from eating and drinking to observing procedures for daily life, education, training, movement, combat readiness....

At a time when commodity prices in the market remain unstable, when the sources of goods supplied to the Army by the state-operated economic sector are unsteady at times, when the sources of goods originated from other economic sectors are diversified and abundant but constantly changing, and when commodity prices occasionally exceed the compensable price brackets, all units must fully exploit their land and manpower **to step up food production and afforestation in conjunction with other forms of production and services** that are effective and strictly conform to the regulations in order to earn supplementary income to make up for any shortfall in military logistical supplies. This is an important factor to ensure that soldiers' diet is firmly maintained, stabilized, and improved step by step. Bringing into full play the spirit of self-reliance and



stepping up livestock raising and crop planting and other effective economic and technical productive activities are not only a character and tradition of our Army but also one of the important tasks the implementation of which should be tightly and scientifically directed and organized to prevent any adverse effect on the quality of training and unit building and on the fulfillment of units' political tasks.

Wherever Army units are stationed and no matter how difficult and harsh the topographical, climatic, and weather conditions may be, if some species of plants and animals can live there, then these units can raise animals and plant crops suitable to such conditions in support of soldiers' livelihood. Any animals, any plants could be successfully raised and grown if we know how to select them accurately, how to farm scientifically and in accordance with the concrete conditions in the stationing areas. In addition to livestock raising and crop planting, Army units can also rely on their own scientific and technical knowledge, their creative and organized productive labor, their strong will for self-reliance, their sense of responsibility for their own living conditions... to organize production and to offer economic, scientific, and technical services in order to create many kinds of products for society, to create supplementary sources of income for their own lives (including material life and spiritual and cultural life), thereby contributing to the implementation of the Army welfare policies.

In seeking to perfect the methods of ensuring logistical supplies, we **must attach special importance to perfecting the decentralization of the task to ensure logistical supplies.** This decentralization must be in accord with the capability of a unit to accept such decentralization. There must be no constraint, no blank-check assignment, no leaving of any unit to its own devices. Decentralization must be accompanied by tight management and rationalization of the task of ensuring logistical supplies. This is to avoid creating tortuous, overlapping intermediary levels and rungs from the top to bottom; to make logistic organizations less cumbersome; to reduce the need for storage facilities and for vehicles and gasoline for transportation; to prevent the loss and degradation of goods; to ensure that cadres and combatants will receive their full quotas of food supplies and that food is good, fresh, and tasty; and to successfully exploit the sources of supplies from economic establishments located in the areas where Army units are stationed. With regard to those units that are not in a position to make use of the local sources of goods and not capable of carrying out the task of ensuring logistical supplies given them as a result of the decentralization process, the upper echelons must directly take charge of providing for them in kind, seeing to it that each recipient will receive his full quotas. Decentralization of logistical provision must meet the demand for better service in ensuring logistical supplies for troops in keeping with the new mechanism. This process will not lessen the responsibility of the sectors concerned; on the contrary, these sectors must heighten their responsibility and their operational

methods must be more active, more creative, and more orderly to prevent any mistakes and negativism.

In perfecting the renovated methods of ensuring logistical supplies, we **must scrupulously comply with all regulations on combat readiness, particularly on maintaining and tightly managing the combat-ready reserve supplies as prescribed.** We must organize highly scientific management of the combat-ready reserve supplies, ensuring that their quantity will not dwindle and their quality will not drop. Careful, meticulous plans must be formulated to organize the rotation of the grain kept in reserve. We should pay attention to the fact that if grain rotation is not done in accordance with regulations or at the right time, this may lead to the state of selling cheap but buying dear, or to the state of grain becoming unusable because of the loss of quality, thus causing great losses to the state budget and making it impossible maintain the grain reserve in the prescribed quantity. We must avoid at all costs the notion that under the market mechanism, goods are fairly abundant now, therefore we can mobilize or buy them anytime we want.... This is because such belief may lead to neglect in the task of holding grain in reserve for combat purposes. The requirements of ensuring combat-ready logistical supplies do not permit us to apply logistical methods totally in accordance with the current mechanism. If no sufficient reserve is maintained as determined by regulations, this will immediately affect the efforts to provide timely support for combat activities.

For the efforts to perfect the methods of ensuring logistical supplies to achieve good results, it is **very necessary to secure the assistance of local party committee echelons and administrations.** This is a coordination of responsibility that has begun to be institutionalized by state documents binding on the committee echelon and administration of each locality in building the armed forces, the all-people national defense system, and the people's war battle dispositions in general, and in the task of building provincial and city defense zones in particular. Army units should take the initiative in establishing relations with the local administration and the people in the areas where they are stationed. Localities should also realize their responsibility for the cause of national defense so as to assist in and create the most favorable possible conditions for ensuring logistical supplies and feeding soldiers. Soldiers' stable living conditions is a fundamental factor in guaranteeing the overall quality of the armed forces, thereby making them ready to successfully carry out the task of joining the entire people in smashing the scheme and act of peaceful evolution and rebellions of the enemies, to cope with any other complicated situation that may materialize, and to firmly defend the socialist Vietnamese fatherland.

Reexamining, putting forward, and supplementing a number of regulations, procedures, standards, and management mechanisms to suit them to the new situation and tasks will also contribute to perfecting the methods of ensuring logistical supplies. These tasks should be

legalized by documents issued by the state, the ministries, and sectors.... The substance of the renovation of the methods of ensuring logistical supplies must also be studied and included in the training programs of logistic service cadres and trainees and other cadres at various Army institutes and schools. We must try by all means to enable the contingent of Army cadres at all levels to thoroughly understand the themes of renovating the methods of ensuring logistical supplies and to organize their implementation in a correct and creative manner. Through this effort, and relying on the intellect and the practical and lively activities of the entire Army in different conditions and environments, we will certainly have a sound basis for contributing in a scientific manner to the perfection of the methods of ensuring logistical supplies, thereby effecting new changes in logistical work in the days ahead.

**Article on Socialist, All-People National Defense**

922E0181B Hanoi TAP CHI QUOC PHONG TOAN  
DAN in Vietnamese May 92 pp 39-42, 90

[Article by Q.S.: "On the Socialist, Modern All-People National Defense of Vietnam"]

[Text] There was a time when the all-people nature, the comprehensiveness, and the aggregate character of people's war and all-people national defense were confronted by the challenge of the "modern warfare" and "modern national defense" viewpoint. Apparently, they still are, even now. Some people have labeled these notions as the products of a "guerrilla" or conservative, empirical way of thinking. Among the authors of the "push-button war" and "nuclear war" doctrine, some are still skeptical about the existence of the people's war and all-people national defense concept in the lives of states and nations in modern times. Worse still, statements have been made bidding "farewell to people's war," including modern people's war. Obviously, the notion of all-people national defense itself also has become meaningless to these people.

However, our party's basic viewpoints on an all-people national defense system, confirmed by the seventh party congress, meet the objective requirements of defeating several forms of sabotage activities and modern war of aggression, including the "fourth-generation war,"<sup>1</sup> of reactionary imperialist forces. The important thing is to hold fast to the party's socialist renovation line and to correctly and creatively study and apply these viewpoints in life to ensure that the all-people national defense system is consolidated and developed according to the socialist orientation and will become increasingly modern.

1. The comprehensive, aggregate, and complex character of the war to defend the existence and development of the socialist regime and to protect national independence, sovereignty, and territorial integrity has resulted in the development of the new orientation in the building and development of national defense strength,

namely to build and develop national defense strength in all spheres of life of the SRV, in accordance with the viewpoint of independence, sovereignty, and self-reliance.

Today, the factors threatening our socialist regime's existence and our fatherland's independence stem not only from certain counterrevolutionary armed violence in the country, or from the deterrent, aggressive military strength of imperialism from outside; they are also shaped and influenced by our country's weaknesses and deficiencies in the economic, social, political, ideological, cultural, educational, and artistic fields as well as and in our life-style. These are weaknesses and deficiencies caused by the socioeconomic crisis. Pursuing their scheme of abolishing socialism, hostile forces inside the country and imperialism are deepening our weaknesses and carrying out many policies and tricks of sabotage, confrontation, and aggression against our people in all domains of social life. In conjunction with applying military deterrence, they are implementing the "peaceful evolution" strategy, launching attacks and sabotage activities in the economic, political, ideological, educational, and cultural fields and in daily life, while colluding with reactionary forces inside the country for the purpose of overthrowing the present political regime. They are concentrating on undermining the unity among the party, state, people, and Armed Forces, and on inciting enmity among nationalities... These are the factors threatening the security of our regime and endangering the independence and sovereignty of the Vietnamese fatherland. This could even be called an undeclared, nonshooting "war of aggression." In the "fourth-generation war," the main objective of the war of aggression according to the new doctrine is "to destroy or sabotage important industrial equipment, political infrastructure, and social organizations," "to alter the support of large segments of the population on the adversary side for war and for their government." The mass media, particularly "television, could become a much more powerful tactical weapon than an armored division...."

To bankrupt these hostile schemes and policies and insidious tricks, our army and people must build and develop the strength of the all-people national defense. This strength must originate from the cells, the various areas of social life in our country, from the vitality of our entire country in the period of transition to socialism. Be it economy, politics, culture, education, art, science, or diplomacy; be it industry, agriculture, trade, communications and transportation, information and post, or public health service....all should be built and developed along the line of unceasingly improving the people's material and spiritual life in conjunction with the efforts of these sectors in opposing enemy attacks on their own fields of activities. At the same time these sectors must contribute to creating the strength and potential of the all-people national defense system. For example, agriculture can not only increase output to meet the people's demand for food and the country's demand for export and reserve but also uncover and oppose the enemies'

"biological war," smashing the schemes and tricks they might implemented through the import channels to destroy our crops and cause the degeneration of our animals and plants. Agriculture can also contribute to building and developing the biological technology of the all-people national defense. The automation technology industry can actively push forward the process of production automation, improve social labor productivity, and counter the enemies' attempts to plant artificial viruses in imported microelectronic equipment, while contributing to developing cybernetics in communications, in command systems, and in the use of weapons and means of the Army and the state.... Obviously, all the domains of economy, politics, ideology, education, science, culture... must directly create permanent national defense strength to defend the socialist regime and the socialist fatherland in peacetime, and this strength must be turned into real battlefield military forces if hostilities break out. Our people must pay attention to building and developing military strength, prepare conditions for launching people's war at a new level to effectively counter the colossal, modern military machine of imperialism. The gunboat and aggressive war policy remains a violent maneuver of imperialism. We should proceed from the conditions of our country, uphold our spirit of independence, sovereignty, and self-reliance, and, at the same time, make every effort to secure favorable international conditions for creating our overall potential in general and military potential in particular. We must take precautions against and overcome the sense of dependence, the lack of national self-confidence and self-respect, dogmatism, alienation from reality, or conservatism and empiricism.

2. Nowadays, standing military strength itself and national defense potential stem from the operational capability and efficiency of all fields of activities of the entire country in the socialist renovation undertaking. Therefore, it is necessary to **determine a steady and dynamic system of all-people military organizations**. This system will exist and operate as an integral part of the entire political system (including the party, the state, various economic, social, educational, scientific organizations..., and the mass organizations) from the center to the grass roots. This is an organized force of all the people for building and developing national defense strength in all respects according to the functions and duties of each organ, sector, locality.... Operating within this military organization system and relying on the people's-war combat disposition prepared in advance—comprising the system of provincial, city, precinct, and district defense zones—our people will directly carry out the task of combining national defense with national construction, destruction of the local enemy with opposition to foreign aggressors, suppression of rebellions and subversive activities with countering aggressive wars, and protection of the regime with defense of the fatherland. The people's-war combat disposition must be closely combined with the security disposition, and military and national defense forces must be tightly

linked to security forces nationwide to create an all-people aggregate combat capacity to promptly snuff out all rebellions anywhere in the country, to take the initiative in fighting against the enemy with on-the-spot forces and means, and to effectively counter any war of aggression in which no distinction is made between civilian and military targets, between "the front" and "the rear," and which breaks out with great suddenness and unexpectedness.

The activist force of this military organization system is the *people's Armed Forces and the People's Army*. In the face of the new requirements, the people's Armed Forces must be built "with appropriate standing troop strength, according to the revolutionary and standardization line, on the basis of being modernized and well trained step by step, and along with powerful mobilization-ready, militia, and self-defense forces." The military art of the people's Armed Forces should be developed in conformity with the tasks of simultaneously opposing rebellions and subversive activities; countering localized armed aggressions and wars of aggression; defeating round-the-clock, surprise, massive, lighting air, sea, and ground assaults conducted by the enemies with high-tech weapons; gradually enhancing our capability to attack and counter the enemies from afar, to develop and perfect close-quarters and night fighting techniques.... We must perfect the personnel organization of the three categories of troops, particularly the People's Army, along the line of peacetime organization, thereby enabling them to maintain high combat readiness and quickly and efficiently adapt to various forms of combat activities on different terrains and to many specific, different objects of combat action. We must renovate and perfect the political and ideological education system and the combat training system to ensure attainment of a new level in the quality of party character and scientific character and higher efficiency in the effort to increase the fighting strength of the Army. We must gradually modernize the weapons and technical equipment system and the logistical supplies and technical procurement system.

3. The scientific and technological revolution has led to great changes in the domains of war, Armed Forces, and national defense. This has been given concentrated expression in a series of new viewpoints on war and national defense and in the new generation of weapons, namely high-tech weapons and nuclear missiles. To adapt to this developmental trend and to counter the various forms of modern war of aggression, **our all-people national defense system should also constantly enhance its modernity in its own way.**

First of all, we must *modernize step by step the infrastructure of the all-people national defense*. For our people, this is a novel issue fraught with no little difficulty. This is because the infrastructure of the entire country itself is backward and degraded. However, our people can modernize step by step the systems of roads, communications, logistical and technical procurement, weapons and technical equipment production, public health, defense

works.... This should be done along the line of combining military modernization with the development of people's welfare and with the building of the material and technical bases of socialism. The formula for building and developing this national defense system consists in fully exploiting the capital, personnel, and techniques of the industrial, agricultural, communications and transportation, information and post and telegraph, capital construction, public health, food supply, and water conservancy sectors... in accordance with the plans and requirements of our state. All economic sectors, including the state-operated and nonstate sectors, are dutybound to fulfill the plans and requirements assigned by the state. The People's Army may directly assume the construction of vitally important projects according to its capability. Naturally, this issue should be studied and investigated step by step before it is institutionalized by law.

Our traditional viewpoint is that the adversary's modern weapons and means do not necessarily have to be countered with equally modern hardware. Moreover, we are in no condition to do so. However, we do not adhere to the simplistic concept that antimissile missiles could be shot down with rifles. Our Army and people are experienced in modernizing weapons and technical equipment in their own way. On the one hand, we must fully bring into full play the effectiveness of the weapons and means capable of countering the adversary's more modern weapons and means, using them in a combined manner to neutralize and destroy the aggressors' modern weapons in diverse conditions. On the other hand, we must concentrate our resources on improving, producing, or purchasing new weapons and means fully capable of countering and destroying the adversary's most modern and dangerous means. The essence of this path is *to combine "modernizing" soldiers' and citizens' standard of using weapons and technical equipment with the selective modernization of the weapons and means themselves.*

4. The building and development of the socialist, modern all-people national defense depends first of all on the question of fully bringing into full play the effectiveness of the people's right to mastery in this domain. To meet this requirement, one of the fundamental question is that we must **determine a standard and firm national defense mechanism.** This is a mechanism for directing, managing, and administering the process of building and consolidating the all-people national defense within the framework of the socialist renovation undertaking in our country. Our people do not yet have sufficient knowledge of and experience in this question because they have had to fight several wars in succession and are thus lacking the proper conditions for building a full-fledged national defense firmly based on the strength of all the people and the entire regime and in strict accordance with the SRV Constitution.

Today, the new social conditions in our country are fully ripe for determining a national defense mechanism aimed at ensuring that every citizen will really take part

in and exercise mastery over this undertaking in life. Party committees and the administrations at all levels must lead and guide the national defense building process in strict accordance with their functions and duties. All echelons, sectors, and localities must manage and administer the building of national defense strength in strict accordance with the laws and policies of our party and state. The state should promulgate a system of national defense policies suitable to the country's socio-economic changes.... This mechanism might be supplemented and revised periodically in response to the constantly changing task of defending the socialist regime and the independence, sovereignty, and territorial integrity of the fatherland.

Footnotes

1. See article "The Fourth-Generation War" in Mar 1992 issue of TAP CHI QUOC PHONG TOAN DAN.

## ECONOMIC

### Japanese Wins Oil Prospection, Exploitation Contract

92SE0306D Hanoi VIETNAM NEWS in English  
25 Jun 92 p 1

[Text] Idemitsu has become the second Japanese oil company to win a concession for off-shore oil prospection and exploitation in Vietnam.

A product-sharing contract signed in Hanoi on Wednesday between Dr Ho Si Thoang, general director of PETROVIETNAM, and Mr Akira Idemitsu, president of the Haiphong-based Idemitsu company gives it the right to prospect for oil, at lot 102/91 in the Tonkin Gulf. Idemitsu is to make full investment in the deal at its own risks. If oil is found, production will be shared as specified in the contract.

This is the 17th such contract PETROVIETNAM has signed with foreign oil companies since the promulgation of the Law on Foreign Investments in Vietnam in late 1987.

The first Japanese company to engage in oil exploration in Vietnam is AOC Energy Development Company Limited (AEDC). It signed with PETROVIETNAM in Hanoi earlier this month a deal to look for oil in Block 5.3, a potentially rich area near the Dai Hung (Big Bear) oil field off the southern coast.—VNS

### Foreign Cooperation in Communication Services

922E0179B Ho Chi Minh City TUOI TRE  
in Vietnamese 16 Jun 92 p 2

[Article by N.T.: "Vietnam Cooperates With Singapore and Thailand in Paging Service"]

[Text] Recently the Posts-and-Telecommunications Service of Ho Chi Minh City agreed with the Singapore

Telecommunications Corporation and the Shinawatna Paging Corporation to expand paging to Vietnam next month.

Those corporations will set up a paging exchange in Ho Chi Minh City. The exchange, with 3,000 pagers, will be connected to a system of 100,000 pagers in Thailand via satellite to serve its customers, Thai and other foreign businessmen working in Vietnam.

There have been pagers (or beepers) in Ho Chi Minh City for three years. The paging exchange of the Municipal Posts-and-Telecommunications Service has 800 rental pagers. One needs only call 29111 and give the pager number of the person to be paged, and then give the message to be relayed. A few seconds later the message will be sent to the receiving pagers in Ho Chi Minh City or Vung Tau.

#### **Delegation To Attract Hong Kong Investment**

92SE0306A Hanoi VIETNAM NEWS in English  
24 Jun 92 p 1

[Text] A delegation leaves Hanoi today for a week-long visit to Hong Kong to attract investment for the development of Vietnam's fishery.

The delegation led by Mr Vo Van Trac, general director of the Ministry of Fisheries' fishery development programme, is expected to meet local investors as well as suppliers and manufacturers and brief them on future development plans for Vietnam's fishery and marine products processing industries.

The local organiser, CP Exhibition, said the delegation would promote the Vietnam International Fishery Expo 92 to be held in Ho Chi Minh City from November 3 to 7.

Vietnam's sea product exports totalled 250 million U.S. dollars last year, about nine percent of the country's total exports.

Hong Kong is Vietnam's second largest foreign investor after Taiwan in terms of dollars, but leads in terms of the number of investment projects.—VNS

#### **Ho Chi Minh City Increases Exports**

92SE0306B Hanoi VIETNAM NEWS in English  
24 Jun 92 p 1

[Text] The freezing of orders from East Europe and the former Soviet Union has prompted the industrial sector of Ho Chi Minh City to find new markets for its exports.

From 1988 to 1991, the sector increased its export value from 1.2 million dollars and 2.8 million rubles to \$24.8 million and 2.7 million rubles. Its main export items are votive paper, cosmetics, sweater jumpers, table-tennis rackets, bicycle parts, rubber and other products, and its main trading partners are France, Germany, Italy, Australia, Japan and other Asian countries.

Many of its items can replace imported goods as far as quality is concerned, such as cigarettes, chemical and cosmetic products, detergent and toilet soap. In particular, Tico detergent has set a firm foothold in Cambodian and Thai markets.

This year, the industrial sector of Ho Chi Minh City expects to gross \$36.1 million from its exports. With more investments in the supply of new equipment and electricity, the sector will certainly make faster progress.—VNS

#### **New Directions for Import-Export Noted**

922E0172B Ho Chi Minh City THOI BAO KINH TE  
SAIGON in Vietnamese 14-20 May 92 p 12

[Unattributed report: "Some New Directions for Import-Export"]

[Text] Articles the Importation and Exportation of Which Are Prohibited:

A. Articles the exportation of which is prohibited are: Weapons, ammunition, and explosives; antiques and cultural products exclusively owned by the state. Narcotic drugs and toxic chemicals; logs and timber cut from natural forests but preliminarily processed as raw materials; and rare animals.

B. Articles the importation of which is prohibited are: Weapons, ammunition, military equipment, military uniforms, explosives, and fireworks; narcotic drugs and toxic chemicals; decadent and reactionary cultural products; and cigarettes.

(The above prohibition is in accordance with Decision No. 294/TMDL/XNK [Ministry of Trade and Tourism/Import-Export] issued by the minister of trade and tourism on 9 April 1992)

Articles of which Minimum and Maximum Prices Are Determined by the State:

According to Regulation No. 298/TMDL-XNK issued by the Ministry of Trade and Tourism on 9 April 1992, the following articles will have their price levels or their minimum price (for exports) and maximum price (for imports) determined by the Ministry of Trade and Tourism following consultations with the agencies concerned:

—Exports: Crude oil, rice, rubber, and coffee.

—Imports: Petroleum (including gasoline, diesel oil, and kerosene); fertilizers (including urea, phosphate, and nitrate fertilizers).

#### **Formalities for Issuance of Import-Export Licenses:**

According to Regulation No. 296/TMDL-XNK issued by the Ministry of Trade and Tourism on 9 April 1992, any business concern wanting to apply for an import-export license must send the Ministry of Trade and Tourism a set of documents including an application for

import-export license (using the form issued by the Ministry of Trade and Tourism), a notarized copy of the license to set up a business, a notarized copy of the business registration certificate, and a capital certificate (for a commercial establishment). The Ministry of Trade and Tourism will reply within 30 days following receipt of the application. Any business issued with an import-export license must pay a fee of 1 million dong before receiving its license.

### **Regulations on Import-Export Tax Exemption for Enterprises**

922E0172A Ho Chi Minh City THOI BAO KINH TE  
SAIGON in Vietnamese 14-20 May 92 p 12

[Article by Lawyers Tran Hoanh Son, Truong Van An, and Le Van Chan: "Formalities for Consideration of Import-Export Tax Exemption or Reduction for Enterprises With Foreign Investment Capital in Vietnam" ]

#### **[Text] Circumstances in Which Import-Export Tax Exemption or Reduction of Import-Export Tax Is Permissible**

According to the stipulation of Article 36 of the Law on Foreign Investment in Vietnam and Article 78 of Council of Ministers Decree No. 28 dated 6 February 1991, in addition to the circumstances in which import-export tax exemption or reduction is permissible as stipulated in the Law on Commercial Goods Import-Export Tax, enterprises and foreign partners in joint ventures are also entitled to import tax exemption in the following circumstances:

—When the imports are mechanical equipment, spare parts, means of production and business transactions (including means of transportation), and materials contributed to the capital of an enterprise with foreign investment capital or to the capital of a joint venture.

—When the imports are mechanical equipment, spare parts, and materials brought in—and paid for with capital that is part of the total investment capital of an enterprise with foreign investment capital—for use in capital construction in the process of setting up the enterprise.

—When the imports are raw materials, separate parts, accessories, and materials brought in for use in the production of export goods.

#### **Formalities for Consideration of Import Tax Reduction or Exemption**

Every time an enterprise with foreign investment capital or a foreign partner in a contractual joint venture set up in Vietnam (henceforth collectively called enterprise) imports goods under circumstances warranting tax-exemption privilege as stipulated in Article 78 of Council of Ministers Decree No. 28, the importer must comply with all tax-exemption formalities.

A. If each category of the goods are imported in the exact quantity as specified in the economic-technical data memorandum of the investment project already approved prior to the issuance of the investment license, the tax-exemption application file must include:

—An application form, to be submitted by the enterprise concerned to the Ministry of Finance for the completion of import tax exemption formalities for the relevant consignment of goods.

—An import license issued by the Ministry of Trade and Tourism.

—A declaration of imported goods issued by the Customs Service in which each kind of import and the amount of import tax levied on the consignment of imports concerned must be clearly stated.

B. If the quantity and categories of the imports differ from the quantity and categories specified in the economic-technical data memorandum approved when the investment license is issued, in addition to the documents mentioned in section A above, the tax-exemption application must also include a written approval of the State Commission for Cooperation and Investment for the importation of additional goods not mentioned in the economic-technical data memorandum of the investment project already approved.

Any imported goods the importer of which fails to complete all the formalities stipulated in the above-cited circumstances will not be entitled to tax exemption.

#### **Order To Follow in Completing the Formalities for Import Tax Exemption**

—Imports falling under the categories of goods exempt from tax as stipulated in Article 78 of Council of Ministers Decree No. 28 still have to go through all the formalities for import declaration and import tax calculation at the Customs Service in the same way as taxable imports do.

—If conditions are lacking for determining the price of an imported item for tax computation in accordance with the import contract, the Custom Service may use the price of commercial imports of equivalent value as a basis for tax computation.

—If no equivalent taxable price exists, the taxable prices stipulated in Official Letter No. 641/TC-TCT [Finance Ministry-General Department of Taxation] will apply.

#### **Time Limit for Completion of Import Tax Exemption Formalities**

—On the basis of the quantity of goods actually imported and the amount of tax due announced by the Customs Service, 30 days at the latest after receiving a tax payment notice from the Customs Service, the enterprise concerned must send its tax-exemption application to the Ministry of Finance for the completion of formalities. In strict accordance with the stipulation of the

current Law on Import-Export Tax (Section 1, Article 20), after this 30-day time limit is up, any enterprise that fails to comply with the tax-exemption formalities will be liable to a fine equivalent to 0.5% of the amount of tax due announced by the Customs Service.

**Agencies Empowered To Decide on Import Tax Exemption and Offices to Which Import Tax Exemption Applications Are To Be Submitted**

—Three days at the latest after receiving the tax-exemption application from an enterprise, the Ministry of Finance will issue a tax-exemption decision or notify the enterprise concerned of the reasons for the non-completion of the tax-exemption formalities.

Import tax exemption applications must be submitted to the Import-Export Tax Office of the General Department of Taxation (the Ministry of Finance) in Hanoi, and the Southern Representation of the General Department of Taxation in Ho Chi Minh City.

**Attracting Capital by Effectively Using It**

922E0176A Hanoi KINH TE VA DU BAO  
in Vietnamese May 92 pp 1-3, 12

[Unattributed Article: "Major Guidelines for Creating Invested Capital in the 1992-1995 Period"]

[Text] The economic goal of the 1992-1995 period is to achieve an annual growth of, in terms of national income, 5.5-6 percent; in agriculture, 3.6-4.2 percent; and in industry, 7.5-8.5 percent, with efforts being made to pull the economy basically away from the present crisis and inflation, to create a uniform new management mechanism, to restore law and order, and to maintain a momentum and strength for development in subsequent years.

To attain this goal, according to estimates, the need for basic invested capital for the economy as a whole (including the investment needs of various economic components) in the 1990's will be nearly three times as much as that in the 1980's. In the years from 1992 to 1995 alone, we will need to mobilize more than 35 percent of the invested capital needed in this entire decade. However, our country's gross national product and average per capita income both remain at the lowest level so far; while within the economy there is no accumulation of wealth and while the standard of living remains low, we must better satisfy many needs; in production, the shortage of capital is still very serious; our foreign-currency reserve is extremely low; inflation remains out of control, and so on.

To fully satisfy such a great need for invested capital is not a simple thing to do. But if we want to develop the economy, we must have enough capital. Therefore, we must have decisive policies capable of responding to the needs of the situation so as to extract strength from every source and to take advantage of every new opportunity to create capital. The ability to mobilize invested capital

in this period depends on many factors, and there must be many synchronized measures taken to work simultaneously. At the present time, the most important measure is to create an environment and conditions favorable for mobilizing to the greatest extent all sources of domestic capital, at the same time to acquire the greatest ability to attract foreign capital, along with it to renovate the management mechanism, and to use capital in an effective manner in all sectors and at all levels.

**1. Sources of domestic capital always offer the greatest and most important capabilities.**

The scope of the efforts to mobilize domestic capital reflects the degree of reproduction and the effectiveness of the economy in specific periods. An emphasis on the need to mobilize domestic capital not only consists of setting a rational allocation of capital but also requires growth and effectiveness in our country's multicomponent commodity production. Only by developing in an effective manner can our production of commodities create a source of accumulation of wealth within the country and favorable conditions for accepting capital from abroad.

The experience of a number of developing countries being in the initial period of their development like ours indicates that the ratio between domestic and foreign capital has usually been 4/1. However, in our country this ratio is the reverse of it, 1/4. This reality results from the fact that our capital capacity is extremely small and that the source of accumulation of wealth from within the economy is rather negligible. However, in the coming years we must quickly change this ratio by both increasing the total level of capital investment (including foreign capital) and raising the share of domestic capital and the level of accumulation from within the economy.

First of all, all businesses in the various economic components should continually promote reproduction and *gradually raise business effectiveness*. To expand on a top priority basis sectors, localities, and production installations will bring about early results, create many jobs, and accelerate export and economic cooperation with foreign countries. More particularly, state enterprises must really switch to business, take care of all expenses by themselves, protect and increase capital, obtain accumulation by themselves for the benefit of development, and contribute to the state budget. Along with this development, *to practice thrift* in production and consumption is also an important potential source.

Right in 1992, it is necessary for us to achieve a *basic renovation of the state budget*, first of all a renovation of the make-up of the budget and the method of balancing it. At present, the level of mobilizing the national income for the budget is still low; many expenditures are far from rational, waste is still substantial, and sources of collections exceed the ability to ensure each and every corresponding expenditure.



Closely linked with implementing the national financial policy and unifying the management of sources of collections, the make-up of the budget must be divided into two parts: The part of collections ensures regular expenditures and payments of debts; the part of expenditures as investment in the socioeconomic infrastructure is borrowed by the state (from foreign countries or from the people), plus the collection items that regularly exceed expenditures. As to investment in state businesses, these businesses from now on must borrow money in accordance with their own business plans. They must add more capital, achieve accumulation, and borrow money all by themselves so as to invest in reforming and enlarging production. Only by carrying out this mechanism can they really strengthen a sense of responsibility in conducting effective business operations without passively relying on the state. Capital depreciation in the state-operated economic component is put under unified central management by the state (from 1992 on).

On the basis of widening the implementation of the policy on reorganization of production and consolidation of the state-operated economy, sectors and localities, along with basic economic units, must draft and carry out plans for effectively organizing production and business. In the case of those businesses that have long suffered from losses and belong to the class that does not need to be kept, we can dissolve, merge, or lease them, or switch their ownership, turn them into shareholders' corporations, and so on, for the purpose of reducing the burden carried by the budget and retrieving their capital in order to boost other units' capital.

To sell or lease by the state a number of unused or ineffectively-used real estates and properties also creates considerable capital sources.

In addition to the state budget and business finances, there is a pretty large source of capital that the people are storing and putting aside in many ways. It is estimated that this idle capital is several times larger than the total amount of savings and certificates of deposit bought in banks. To properly implement the Law on Corporations, Private Business Law, and policies granting tax and credit privileges to investors in development programs certainly creates the proper environment and favorable conditions for the people to feel reassured to invest in various forms of business so as to develop agriculture, forestry, and fishery, the latter being linked with the processing industry, as well as to manufacture consumer goods and goods for export and to expand services.

To exploit the capacity of those who have capital but are not capable of or lack the conditions for doing their own business, we must pay attention to not only putting money in savings funds and buying certificates of deposit but also to other forms, particularly contributing to stock ownership, buying share certificates, and establishing shareholders' corporations, the latter being a form capable of attracting additional capital from the people for the development of enterprises while letting the state retrieve part of its capital to invest in other

necessary objectives. Closely linked with gradual expansion of shareholders' corporations, a stock exchange may later be established to mobilize, transfer, and use effectively the sources of capital in the national economy.

**2. Let us attain the highest ability to attract foreign capital so as to create favorable conditions for developing the sources of domestic capital.**

Foreign capital comes from many kinds of sources, with the following being the principal ones: directly invested foreign capital; development aid and favorable-term loans obtained through governmental channels; and commercial loans obtained from private corporations and foreign banks. Depending on the nature of each kind of capital, the conditions and ability to mobilize it, as well as the formula for its use, always vary.

At the present time, we need to *pay attention to attracting directly-invested capital* from foreign countries (capital from private economic organizations, or individuals in foreign countries, including Vietnamese residing abroad), which is invested in Vietnam in accordance with the Investment Law. This is a form of exporting capital that many countries are interested in because of its ability to yield high interests. Foreign investors find our investment market very attractive.

In the last four years, the total invested capital was only over US\$2 billion. But compared to some other countries being in the first years of foreign investment, this figure was quite good. In the period of 1992-1995, the capital investment we actually get should account for about 20-25 percent of our total need for capital.

We pay attention to both forms: direct investment with 100 percent of foreign capital, or partial investment in joint enterprises shared by domestic businesses. The guidelines for calling on foreign countries to invest in our country are: both to increase in-depth investment and to reform and expand existing economic installations, and to build new installations and a number of export-serving industrial and processing centers. Pay attention to the sectors that produce consumer goods for export; plant and process agricultural and forest products; get contracts to make machinery and electronic goods and to exploit resources; refine ores, oil, and gas; and expand tourism and services, including permitting foreign banks to do joint business with Vietnamese banks.

Besides a series of small and intermediate projects, we also need to encourage large projects that invest in the construction of important installations so as to contribute to adjusting and shaping the new economic mechanism in our country.

*Official development aid (ODA)* is the kind of capital that supports development and consists of aid that does not require paying back or low-interest (.5-5 percent/year) and long-term (10-50 years) loans. In the relations of our government with international organizations (UN organizations, World Bank, Asian Bank, European Community, and so on) and other governments, the state



receives aid and favorable-term loans in many forms, mainly capital issued for specific development projects (infrastructure-building projects, transfer-of-knowledge projects, and so on). This is an extremely important source of capital which requires many capabilities and new opportunities on our part to obtain from international assistance. If the domestic and world situations develop in a favorable manner and the cooperative relations between other countries and ours reach a breakthrough as we hope, then each year we can receive and borrow 15-20 percent of the total capital needed for investment.

The scope and priority direction in the use of this source of capital requires that we invest in the construction of infrastructural systems (electric power, communications and transportation, information and telecommunications, water conservancy, afforestation, environmental protection, water supply and drainage, and so on); satisfy the needs in public health, culture, education, training, housing, industrial renovation, and so on; create jobs; and link all such efforts with the project objectives that donor nations are concerned about.

In addition to the above-mentioned ways to attract capital, in special cases, we can boldly borrow money and pay commercial interest rates. Foreign private companies and banks are ready to extend short- and long-term loans at any time and to charge market interest rates. However, because of high interest rates, we should calculate carefully and think very hard before deciding to borrow capital from this source.

**3. To create an environment for and to use effectively capital is the most decisive measure to attract capital, both domestic and foreign.**

In the current world situation, there now appear positive factors in the political and economic relations, particularly in the foreign economic ones. The renovation and the implementation of new policies are encouraging a development of the multicomponent commodity production; the application of the market mechanism, which includes state management, has shown obvious progress.

In the years to come, as we move in the direction shown by the 1992 Constitution, we will continue to draft and perfect the various laws on organization of the state; business and investment laws and policies conforming to the multicomponent economic mechanism; laws dealing with disputes among businesses; Law on Foreign Investment in Vietnam; tax laws; laws on the use and protection of natural resources, land, and so on, to make them suitable for international practices and easier for foreign investors to accept them.

Let us create favorable conditions for domestic businesses to provide by themselves capital invested in improving and expanding their production, to raise capital through sales of shares, and to do joint businesses or to borrow capital from foreign countries in accordance with the principle of borrowing money and paying

debts by oneself. The economic components outside of the state-operated sector are allowed to cooperate with foreign countries and take part in their investment in the forms and fields to be determined by law. Encourage overseas Vietnamese to invest money at home.

To perfect and carry out the regulations on operations of investment service organizations, export processing zones, activities of representatives of foreign companies in our country, control and management of business activities, and so on is aimed at ensuring easy and legal operations for investors.

To create a legal environment for the above-mentioned economic activities, a very basic need that determines the success or failure of every new position or policy is *to establish at any cost law and order in accordance with the new mechanism*. First of all, all businesses in various economic components must operate in accordance with the law, seriously observe financial discipline, create healthy market relationships, and compete with one another by means of quality and efficiency. This is a condition that ensures safety for every business activity and constitutes a precondition for development, including both domestic and foreign investment.

On the one hand, let us mobilize capital and satisfy all capital needs; on the other hand, we must *attach importance to the most effective management and use of all such capital sources*. To use capital in an effective manner also means to increase the sources of capital that actually exist. Furthermore, the more models of effective business and investment we can develop, the more attractive investment in our country will become and the more boldly domestic and foreign investors will act to get rich through their invested money.

In addition to perfecting our general plans, productive force distribution charts, major socioeconomic development plans, system of listing of occupations and industries in need of foreign capital investment, and so on, we must draw up investment projects in order to readily respond to investors' needs in regard to specific projects, to ensure satisfying investment priority requirements, and to conform to the nature of each type of capital. Specifically about borrowed capital, we must have approved plans and arguments, which must ensure socioeconomic effectiveness; link borrowing money with the responsibility for paying debts; pay attention to investing in any industries that require less capital, create more jobs, and gain potential professional progress; and invest in any projects that can be made operational early, obtain quick results, produce goods for export, and allow payment of debts before their due dates.

We need to raise quality further in drafting and reviewing projects, carrying them out, and organizing construction work, while trying to reduce to a minimum waste and losses and to make them operational quickly.

Let us improve and strengthen leadership and coordination among sectors in regard to investing activities,

particularly in foreign trade and in the management and use of foreign aid or governmental loans; build the organization and mechanism for management and handling of international payment; and borrow money from and pay debts to foreign countries. Let us continue to train cadres who are capable of doing foreign trade work.

To create invested capital is the key link which has a lot to do with all national economic fields. To mobilize to a maximum and to use effectively the sources of domestic and foreign capital is a very decisive solution aimed at achieving the goals set in our socioeconomic development plans and programs in all sectors, localities, and production installations.

#### 742 Private Businesses Licensed

92SE0306C Hanoi VIETNAM NEWS in English  
24 Jun 92 p 1

[Text] By June 15, 742 private businesses with prescribed capitals totalling 413.6 billion dong have been licensed in different parts of the country. Of the number, 410 are in commerce, 318 are limited liability companies and 20 are joint-stock firms.

Ho Chi Minh City has the largest number of licences (184), followed by Haiphong (62).

#### Official Interviewed on Information Technology

92SE0297A Hanoi VIETNAM NEWS in English  
20 Jun 92 pp 1, 2

[Text] Editor's Note: The Institute of Information Technology under Vietnam's National Centre for Scientific Research has become the UNESCO Regional Institute of Information Technology (RIIT).

This event has prompted VIETNAM NEWS to interview Dr. Bach Hung Khang, director of the institute, on the development of computer science in Vietnam.

Q: What progress has Vietnam made in information technology? How are we rated as compared with the rest of the world?

A: Vietnam began paying attention to computer science as early as in the 1960's. However, not much was done for a long time due to the absence of real social demand, and hence, negligible investment.

Changes in national management policy in recent years have given rise to a real demand for information supply and processing. On the other hand, the mass production of micro-processors at lower prices has made it possible for us to switch over to a new stage in information technology. So far we have imported a considerable number of micro-processors for the application of sciences as well as for research and training. At the moment, three major projects for computerisation of managerial work are being undertaken at the Premier's Office, the Ministry of Finance, and the National Bank. Smaller projects, on the use of computers, are being

carried out at other places. Office automation and desktop-publishing has brought about practical results. Courses on computer operation and software handling have been given to many people. Some research groups, though with limited means, have been able to give inspiring results in developing software for use in management, data processing and documentation in Vietnamese, identification and reading of texts.

Even so, development is still at the initial stage of micro-informatics. It has been mainly spontaneous, without adequate preparations or regulations. Therefore, application to economic management has given the expected results.

Q: What do you plan to do to help in economic reforms and social development?

A: The government will do what it sees fit to help in developing information technology. Such a policy is expected to give preferential treatment to the different economic sectors in securing and utilising equipment, with emphasis on the standardisation of information.

As we haven't got the infrastructure of a computer science and a precision engineering industry, we should concentrate on application. At the same time we should try to develop software production for domestic use while trying to raise quality so that our products can get into foreign markets. Information technology should be developed alongside telecommunications and in cooperation with other countries as well as with overseas Vietnamese.

Q: How do you evaluate the role of your institute in relation to the present "explosion" of information in Vietnam?

A: The institute was officially established in 1976. It has accomplished much in research, application as well as training. Many of its products have been applied widely in the country. Some high-quality software parts are even used abroad.

The institute is now working on a draft plan for computerisation of financial accounting and providing consultancy and expertise to other computer projects of Vietnamese and international organisations in Vietnam, such as UNFPA-funded projects VIE 87/P01 and VIE 89/P01 on "Pool of micro-computers in support of population activities in Vietnam," and UNDP/UNESCO-co-sponsored project VIE 88/035 on "Centre for computer training and application."

On a national scale, the institute organises about 10 courses every year. In conjunction with UNESCO and other international organisations, it has opened three courses in other countries and one course in Vietnam for foreign residents. It has also hosted several regional seminars. Now, as the UNESCO Regional Institute of Information Technology (RIIT), apart from our national

function, we will take part in the conduct of UNESCO-sponsored projects in the region, thus contributing to the promotion of regional cooperation.

If we are to develop our economy and integrate into the world market, we cannot be content with just the role of a raw material supplier. Instead, we must try to find out the right way to develop our information technology, and we hope the institute would be able to make positive contributions to this search.—VNS

### Joint Venture Company Director Interviewed

922E0180B Ho Chi Minh City THOI BAO KINH TE  
SAIGON in Vietnamese 4 Jun 92 p 9

[Interview with Ngan Muk Keung, chairman of the Meko Joint Venture Management Board, by Huynh Kim: "For Long-Range Benefit, We Invest in Developing and Processing Agricultural Products in the Mekong Delta"]

[Text] The Meko Joint Venture (between the Viet-Sing Corporation in Hong Kong and the Hau Giang Agricultural and Food Products Export Corporation) is still the largest unit in the Mekong Delta with regard to the efficient growing and processing of agricultural products. The joint venture was formed prior to the foreign investment law and has experienced many difficulties. The Meko Joint Enterprise, which is now stable and developing, includes seven enterprises: feather processing, tailoring, food processing, animal feed, leather tanning, animal husbandry, poultry, and artistic handicrafts. Mr. Ngan Muk Keung, chairman of the joint venture management board, was interviewed by a THOI BAO KINH TE SAIGON special correspondent on the existence and development of the Meko joint enterprise in the door-opening phase of the Mekong Delta economy.

[Huynh Kim] Let's go back four years. Why did you decide to invest in this difficult sector under conditions of the infrastructure—electricity, transportation, communications, etc.—in that region not yet being very developed?

[Ngan Muk Keung] Because the agricultural potential of the Mekong Delta is very great. In the beginning, many difficulties were encountered in investing in agriculture. But we hoped that in the long range we would make progress. Speaking of economic advantages, one must have a long-range view. In the Mekong Delta, there are very few industrial installations. That is one reason why the peasants are poor. When there is a good harvest they usually get low prices for their products and sometimes sell at a loss. When there is a poor harvest prices are high but they have nothing to sell. Therefore, we decided to invest in industrializing agriculture. It is possible to buy many products from the peasants in a single day but there products cannot be marketed because there are no enterprises to process them. Therefore, the prices of agricultural products are stable and the peasants have higher incomes. That is also a way to make an agricultural country rich and strong, for no nation can become

rich by developing only agriculture and not developing the processing industry simultaneously. In sum, I believe that although agriculture processing will not be profitable, in the long range both sides will profit. Investment by which both sides profit is good.

[Huynh Kim] What can you say about how the two sides have profited during the past several years?

[Ngan Muk Keung] From the perspective of economics, of the 20 years I've been in business the past four years have been the least profitable. But in other respects, the results of those four years have been very great.

First of all, there has taken form a relatively complete corps of management and technical cadres. Thanks to on-the-spot training classes and short-term training abroad, we have 500 well-trained cadres out of a total of 3,000 cadres and workers. They have been trained in enterprise management, machinery, chemicals, accounting, etc. They are gradually replacing the foreign specialists in leading the enterprises. At present, only three (of seven) enterprises have foreign specialists. It should be emphasized that all the Vietnamese directors and deputy directors in the joint venture are people who want to study and have very strong ability to learn. With such cadres and workers, I am confident that the joint venture enterprises will develop and they will be the people who will guide the new industries in that sector in the Mekong Delta. I regret very much that Can Tho University has not yet begun such training classes for economic management cadres. I think that in developing the economy of that region the foremost factor is still that of man.

As for benefit to the peasants, workers, and local administrators, it is clear that some people who several years ago were suspicious and opposed us now support us. I will give only a small example regarding the peasants in Hau Giang and will not yet mention some neighboring provinces, such as Cuu Long and Minh Hai. Before the Meko Food Products Processing Enterprise was begun the farmers, especially the Khmers, didn't know what to do or only hired themselves out during idle periods. There was much gambling and drinking in the rural areas. But when the enterprise encouraged them to grow straw mushrooms for export everything changed. Using only straw they formerly had to burn or throw away, they grow straw mushrooms and sell them to the enterprise, thus increasing their income many times over working in the paddies and improving their living standards. At present, more than 5,000 peasant households in the province are growing straw mushrooms. In 1991 alone we bought from them nearly 6,000 tons of straw mushrooms worth more than 23 billion dong. Then a large number of other products of the Mekong Delta were developed, processed, and sold to many nations of the world. Therefore, in 1988 the joint venture, which began with 4 million USD, had 10 million USD.

[Huynh Kim] But what difficulties are impeding the activities of the joint venture?

[Ngan Muk Keung] During the past four years the foremost difficulty has been the human factor. Vietnamese have not yet emphasized the concept of product quality. We are holding many training classes for our cadres and personnel so that they can change that by means of their products. The most immediate, most serious obstacle is the shortage of electricity for production. We have overcome that problem by buying electricity generators for each enterprise. But that cannot replace electricity from the national grid. For example, at dozens of purchasing points in the districts, due to a lack of electricity there is no ice, so the mushrooms cannot undergo preliminary processing and the peasants cannot sell their products, which means that they are also harmed.

We have confidence in our economic cadres and are continuing to train them. But only if those obstacles are quickly overcome can not only the Mekong joint enterprise, but also the economy of the Mekong Delta, develop strongly.

#### **Major Smuggling Case Discovered at Tan Son Nhat**

922E0179A Ho Chi Minh City TUOI TRE  
in Vietnamese 13 Jun 92 p 1

[Article by Hoang Linh: "More About the Trial for Smuggling Gold and Dollars Through Tan Son Nhat"]

[Text] At the beginning of 1991 the responsible organ carried out a search and found more than 15 million dollars hidden in an airplane at Tan Son Nhat airport. The initial evidence indicated that the money was related to a very large international gold and dollar smuggling organization that included many state cadres and officials. On 12 May 1991 the Security-Investigation Department of the Ministry of Interior decided to prosecute the case and arrested Tran Xuan Tuan ("Black" Tuan), a public security officer at the Tan Son Nhat port of entry. The security organ also carried out an investigation and during the final days of last January arrested a number of cadres and men of the police investigation unit of the Tan Binh Public Security Bureau: Doan Cong Chanh (for the crimes of revealing national secrets and accepting bribes), Phan Trong Si, Vo Hoang Quang, Le Minh Ngoc, and Truong Minh Ngoc, all for the crime of appropriating public property. Since February 1992 the security-investigation police have detained a number of cadres and men in the customs sector for complicity in the case: Pham Van Huong, deputy commander of the customs inspection unit, a specialized unit directly under the board of directors of the Municipal Customs Office, which engages in antismuggling activity and monitors that activity; Nguyen Van Chieu; and Lam Ngoc Cam Le (a customs employee at Tan Son Nhat airport). In addition to deciding to prosecute Mr. Phan Anh Tuan, director of the Municipal Customs Office, on 2 March the Security-Investigation Office of the Municipal Public Security Service recommended that the Customs General Department temporarily suspend Mr. Tuan as

director of the Municipal Customs Office and reply within seven days from 4 May 1992. However, to date the Customs General Department has not decided to suspend Mr. Phan Anh Tuan as director of Customs.

## **SOCIAL**

### **Minister Discusses Population, Family Planning**

922E0178A Ho Chi Minh City TUOI TRE CHU  
NHAT in Vietnamese 14 Jun 92 pp 2, 3

[Report on interview of Minister of Population and Family Planning Mai Ky\* by Ngoc Anh and Ngoc Thao: "The Nation Must Reduce Population Growth to the Minimum"]

[Text] The highest goal of the population-family planning program is reducing the population growth rate to the minimum. By the end of 1995, the national population growth in Vietnam will amount to nearly 73 million, and by the year 2000 it will be 80 million. Therefore, our goal is to reduce the birth rate by .06 percent a year. To attain that practical goal, highly effective steps must be taken. I believe that we must first of all improve the quality of media education activities, build small, healthy, and happy families, and teach every individual to understand the close inter-relationship between population and the environment so that they can understand that the rapidly increasing population is increasingly exerting a bad influence on the environment. Secondly, we must improve the quality of family planning services and meet the needs for planning facilities, depending on the decision of each individual, and there must be suitable policies to encourage everyone to practice family planning. Third, we must strengthen the activities of the organizations participating in family planning and bolster the population committees from the central level down to the local level, and train family planning personnel. We must organize the statistical work well and evaluate the family planning activities in order to take prompt corrective action. In the near future, 150 model villages will be selected nationwide. In 1994 a national census will be carried out so that we can promptly deal with problems that arise.

In our country, in what areas has the population exploded and what has the state done to reduce population growth in those areas?

First of all, the concept of "population explosion" is a technical term commonly used around the world to indicate a population growth rate of three percent or more. At such a rate the population will double every 23 years. According to census data from 1979 to 1989, three areas in Vietnam have a high rate of population growth: the mountain-piedmont region of the north, 2.8 percent a year; the Central Highlands, 5.6 percent a year; and eastern Nam Bo, 2.76 percent. Although the population growth rate has declined in the other areas, in general Vietnam is still a country with a high population growth rate and a high population density.

Recently the State Population-Family Planning Commission selected a number of provinces that have a high population growth rate, or have reduced the growth rate but have an excessively high population density as key provinces in which to concentrate guidance of the population-family planning work.

How has the State Population-Family Planning Commission cooperated with other countries in the region and with the international organizations, and how will it cooperate in the future?

Our population-family planning work has received considerable assistance from the UN Population Activity [UNPA] Fund. Between 1977 and 1991 we received 51 million dollars. Furthermore, there was aid and assistance from the other international organizations, such as the World Health Organization, the World Food Organization, and the non-governmental organizations. UNPA recently approved a program to provide Vietnam with \$36 million in aid from 1992 to 1996 (25 million in regular funds and 11 million obtained by Vietnam and UNPA cooperating to solicit contributions from the other international organizations). Recently, I received a group of FRG specialists who came to assist us during the 1992-1995 period. They promised to set aside 5 million DM to help us carry out the population-family planning work. We are undertaking a number of activities in France and Sweden under that program.

As regards two countries doing a good job of carrying out the population-family planning work in the region, Indonesia and Thailand, we also have cooperative relations.

Please tell us about the difficulties and advantages of your newly assigned position. What are your intentions with regard to the national population program?

If the quality of life is regarded as a fraction, for a long time I have worked to contribute to increasing the numerator (increasing resources). Now I've been assigned responsibility for reducing the denominator (reducing the population). It is difficult to increase the numerator, but reducing the denominator is also extremely difficult, for it is a complicated social psychology task that requires effectiveness but is a problem that is not easy to solve. Meanwhile, because of the nation's economic conditions not much has been invested in that work. We need to purchase many facilities but cannot because we lack money, and must rely on international assistance.

However, when I accepted this task I also had many advantages. For many years we have carried out the population-family planning work and society has begun to be aware of that subject. The party and state leadership cadres are very concerned with that work. Although very busy, Council of Ministers chairman Vo Van Kiet

occupied the position of chairman of the State Population-Family Planning Commission and still pays special attention to that work.

For my part, for several years I was responsible for the labor-culture-social bloc and served as deputy chairman of the State Population-Family Planning Commission so I accumulated knowledge and experience in that work. However, now that I must provide over-all guidance it is certain that I will have to concentrate my efforts so that work can achieve results. Furthermore, because of the years in which I did foreign economic work I have advantages in seeking unilateral and multilateral international aid for that work.

Recently many international organizations and a number of ambassadors congratulated me on my new assignment and affirmed their desire to cooperate with and assist Vietnam in its population-family planning in the future.

Having been a professor who taught for many years at the University, and with the habits of a person who does scientific work, I want to begin by carefully studying the tasks that are assigned in order to understand the nature of my job. Then I will carry out such specific tasks as organizing truly good coordination with the echelons and sectors in carrying out the population work. The Commission will create conditions for the relevant mass organizations (youths, women, etc.) to carry out the population work. I understand that the population work will not be successful without the cooperation of those organs. We must actively seek international aid. The important thing is that as a member of the Council of Ministers I think I must serve as a coordinator so that the entire government can be concerned with that work.

That is what I intend to do. What the results will be, time will tell.

Thank you, Mr. Minister.

\*Minister Mai Ky is from Binh Dinh. From 1950 to 1953 he served in the 312th Brigade as a regroupee. From 1953 to 1959 he studied metallurgy at Moscow University. From 1959 to 1962 he was an instructor at Hanoi University. From 1963 to 1965 he was a graduate student in the Soviet Union. From 1966 to 1975 he was an instructor at Hanoi University. From 1976 to 1978 he was head of the Metallurgy Design Research Institute. From 1979 to 1983 he was vice minister of the Ministry of Machinery and Metallurgy. From 1983 to 1984 he was deputy office director of the Council of ministers. From 1984 to 1992 he was deputy director of the Agricultural Science Commission. In 1989 he was deputy chairman of the State Population and Family Planning Commission. Since June 1992 he was been minister of Population and Family Planning.

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