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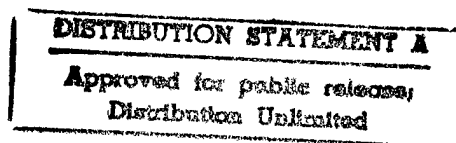
5 APRIL 1991



# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***



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# East Asia Southeast Asia

JPRS-SEA-91-009

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## SLORC Sees Results in Silencing Opposition

91SE0162A Bangkok THE NATION in English  
18 Feb 91 p A4

[Article by Yindee Lertcharoenchok]

[Text] Burma's military regime has launched a massive campaign over the past few months to end domestic pressure against it by undercutting the strength of both urban opposition political parties and border dissident movements.

The results have been quite positive for the State Law and Order Restoration Council (SLORC), which has managed to negotiate peace with some of its longest-term enemies in recent times, including the ethnic Kokang and Wa armies, who led a revolt in early 1989 to topple the hardline Burma Communist Party.

Apart from these two militarily-strongest groups, SLORC has been able to cause splits in one of the remaining armed resistance groups in the area, the Kachin Independence Organization (KIO), by negotiating the defection of a small military faction.

In the cities, SLORC has used its armed might to successfully suppress any popular dissent or calls for its replacement by the civilian legislators elected in last May's general election. At this point even the National League for Democracy (NLD), the largest opposition group, does not dare to voice opposition or stray from SLORC's lengthy timeframe for "democracy", as all the key politicians and activists have been put behind bars.

With the unexpected "return to the legal fold" (as SLORC put it) of two NLD defectors who participated in the formation of a rival government at a Karen camp on the Thai-Burmese border last December, the hopes for political change in Burma looks as dim as in 1988 when SLORC staged a bloody coup d'etat to take power.

While all signs are pointing to an increasingly intransigent stance by the SLORC, the KIP as well as its comrade-in-arms the Karen National Union (KNU), which form the core of the 21-member armed dissident Democratic Alliance of Burma (DAB) have stated their resolute intention to continue to fight SLORC until Burma achieves true democracy.

Although the two ethnic resistances realize the fragility of ethnicity and the "divide and rule" strategy the SLORC has been pursuing to split the cooperation of the ethnic armies, the KIO and KNU are confident that they along with other DAB members will survive the ploy.

In a recent interview with The Nation, KNU vice president Saw Than Aung and KIO spokesman Labang Lum said they believed the SLORC's next move would be "to try to split and finally wipe out the DAB," which now poses as its only remaining military threat.

"I am 100 per cent sure that they will try to split us and destroy the KNU" said Saw Than Aung.

At the same time, the SLORC will try to annul the NLD parallel administration known officially as the National Coalition Government of the Union of Burma, which has allied itself with the DAB.

Both Saw Than Aung and Labang Lum have played down the impact of peace deals between the SLORC and other ethnic resistances on their own organizations and the DAB, although they believe the KNU and the KIO are the two main targets of the SLORC's military operations now that SLORC does not have to concentrate their troops in northern Shan State against the communists, the Kokang or the Wa.

"Their main target now is the KNU. If they overrun the KNU then other ethnic forces will not be a problem to them," said Saw Than Aung, who predicted that the KNU headquarters of Manerplaw would come under heavy shelling and attack during this dry season, as it is also the base of the NLD government, the dissident All Burma Students' Democratic Front, the All Burma Young Monks Union, and the National Democratic Front.

While accepting that the SLORC has the upper hand militarily over the KNU especially in terms of hardware, Saw Than Aung, who is also a senior leader of the DAB, said "the KNU has its own plan of operations against the SLORC."

The Karen will try to defend Manerplaw, which is strategically accessible only through the waterway of the Moei River or via air. Overland attacks are out of the question as the ground KNU troops as well as the rolling hills of the Dawna Range form excellent defensive lines.

Since 1988, the SLORC has staged heavy offensives to wipe out the Karen and the Mon who have controlled the long strip of border area running opposite Thailand's Mae Hong Son Province down to Burma's southern tip of Victory Point for decades. The KNU, while having lost many of its economic and military border bases, still controls about 70 percent of the border while continuing guerrilla warfare in the areas where the SLORC has access.

The KIO spokesman, meanwhile, expressed his belief that the peace the SLORC managed to secure from the Wa, the Kokang and one of the Shan resistance groups would last as long as the relations still benefitted the SLORC.

"They are using this divide and rule tactic, and the peace deals will be only for short term benefit. In the long run I believe the SLORC has no sincerity towards these parties," he said.

While Labang Lum confirmed the defection in December and January of some personnel from the 4th brigade of the Kachin Independence Army (KIA), the military wing of the KIO, he said the number of the defectors was small, and that the majority of the 4th Brigade based in northern Shan State had turned down a

peace deal with the SLORC, which he said included "a proposal allowing them to keep their arms and territory in exchange for their cooperation."

He said the KIO would not negotiate with the SLORC unless the peace talks would be conducted in a broader framework of the DAB in a neutral country and under the observation of a UN delegation.

While Saw Than Aung and Labang Lum admitted that the DAB and the parallel government had suffered a "little political setback" incurred from the return last month of the two NLD members of the parallel government, they believed that the Burmese people would clearly realize that the DAB and the parallel government were fighting to restore democracy in Burma.

In a concerted effort to gain international support, Peter Lin Pin, the foreign minister of the NLD government, KNU spokesman Em Martha and a student leader, Dr Thaung Tun, have embarked on a world tour "to explain the true [political] situation in Burma."

Peter Lin Pin told THE NATION before his departure early this month that he believed his campaign would arouse international awareness and sympathy about what has been happening in Burma.

He will also be present along with other DAB representatives at the ongoing conference of the United Nations Human Rights Commission in Geneva where they give their account of the SLORC's human rights violations. The SLORC will also have a delegation at the forum.

The Karen and the Kachin along with other ethnic resistance have agreed that peace in Burma is possible only through genuine negotiations and not fighting. Saw Than Aung said the KNU wanted to see an end to the civil wars but the consecutive Burmese military governments had rejected any peace talks.

"We are not fighting the Burmese people, but the Burmese military junta," he said. "The SLORC has no courage to confront us politically on the table but has the courage to continue their arrests, torture and killing of innocent Burmese people."

## STATE OF CAMBODIA

### Envoy Comments on Regime Attitudes, Prosperity

91SE0169B Bangkok *THE NATION* in English  
24 Feb 91 p a5

[Article by Leo Dobbs, Agence France-Presse, Phnom Penh]

[Excerpt][Passage omitted] The life of the average Cambodian has improved in the past six months, but odds for peace this year remain less than even, according to a senior Japanese diplomat.

Yukio Imagawa, minister at the Japanese Embassy to Thailand, said before leaving here yesterday for Vietnam that he was only "40 per cent optimistic" on the chances of a peace breakthrough in the next few weeks or months.

However, Imagawa added he would recommend the Japanese government step up humanitarian aid to Cambodia.

Imagawa said he had come here to discuss a UN peace plan with leaders of the Vietnam-backed Phnom Penh government, and summed up his visit as "fact finding on everything in the country."

The envoy, who arrived here Feb 13, met National Assembly Chairman Chea Sim, Foreign Minister Hor Nam Hong, Interior Minister Sin Song and several other senior ministry officials.

He also visited four provinces, including Koh Kong on the Thai border.

Imagawa, a Cambodia expert and fluent in the Khmer language, said he wanted to discuss Phnom Penh objections to a peace plan drawn up by the permanent five members of the UN Security Council.

Imagawa said the Cambodian authorities had been studying the peace plan in great detail and Tokyo appreciated "the effort of this government very positively to peace."

"I acknowledge this government has much goodwill," and was "really serious" about trying to forge a lasting peace settlement, he said.

Imagawa laid part of the blame for the stalled peace process on the intransigence of the China-backed Khmer Rouge, which ruled Cambodia from 1975 to 1979 by terror and now spearheads the resistance military machine.

The envoy said he would recommend that Japan, which co-chairs a commission on the reconstruction of post-war Cambodia, "enlarge our humanitarian assistance."

Imagawa said he believed the situation had improved here and in the countryside since his last visit in 1990.

"The life of the people is now better in these six months," he said, adding that he had had many opportunities to talk freely with Cambodians without government hindrance.

He said people seemed very happy and "nobody said to me that life is hard," though he acknowledged that the economic situation was still difficult.

Imagawa also noted a growth in nationalism, while adding that the Vietnam presence here is "much lower than what is said."

"From my experience it is much less than when I was here 25 years ago," with the Japanese embassy, when some half a million Vietnamese lived in Cambodia.

He estimated there were now maybe 150,000 compared to resistance claims of 1.5 million. [Passage omitted]

### Battambang Atmospheric, Exports, Individual Earnings

91SE0169A Bangkok *BANGKOK POST* in English  
24 Feb 91 p 12

[Text] (Battambang, AFP) A private Army of 400 men protect the Kampuchea Jute Co factory, a showpiece of local industry and monument to Cambodia's liberalizing economic policies.

A small room in the administrative block bristles with weapons.

Rockets, grenades, heavy machine guns and racks of AK-47 assault rifles stand ready to deter any Khmer Rouge guerrillas who might attack the sprawling 25-hectare complex.

To Sok Sareth, the director of the plant just north of here, the communist Khmer Rouge are mere "forbans," an archaic French word for pirates.

"The Iraq war is more dangerous," he says about the Gulf war half a world away.

The powerful Cambodian resistance faction poses little threat here. It relies primarily on long-distance shelling from remote jungle sanctuaries near the Thai border west of here for its government-destabilizing campaign.

The factory, built and equipped in 1965 by the Belfast-based firm James Mackie, was run as a joint venture until it was left to rot by the Khmer Rouge a year after it came to power in 1975 and started a four-year reign of terror that left hundreds of thousands of Cambodians dead.

James Mackie and the British humanitarian organization Oxfam returned from 1982 to 1988 to help reopen the state-run enterprise and renovate the old jute-processing machines in a province better known for its rice production.

The sprawling complex, with tree-lined roads and a small lake, encompasses warehouses and factories where the gloomy, dusty interiors chatter with the noise of ancient but working machines.

Today the factory is the biggest industrial employer in Battambang with a permanent staff of 870 supplemented by about 300 seasonal workers, Sareth said.

It produces three million jute sacks per year—75 per cent of the production level in pre-war Cambodia. The sacks, made from locally grown product, are used domestically for transporting rice.

Cambodia earns about 400,000 dollars per year exporting raw jute to Thailand and Britain.

Sareth, who was described by one source as a "wheeler-dealer entrepreneur," says there are no plans to privatize the factory. Despite being state-owned, it provides wages that are healthy by Cambodian standards due to the government's recent liberal economic policies.

The minimum wage of 10,000 riels (16 U.S. dollars) per month more than doubles the average salary of mid-ranking civil servants, who receive 3,000 to 5,000 riels (five to eight dollars) per month.

The liberalized policies introduced from late 1988 have helped make the factory self-sufficient. The Cambodian government has moved towards a market economy and encouraged the private sector, meaning firms such as the jute company have more freedom from government control and can set their own wage levels.

The employees are feeling the benefits. Production incentives mean workers can boost their monthly incomes, and a workers' union has been set up. A range of benefits have been introduced, including health care and housing provisions.

But such security may be fostering a false sense of complacency in the face of the country's still-raging civil war.

For Sareth, "the sound of artillery is the same as rock and roll."

#### **Relations With Leadership, Religion's Status**

91SE0169D Bangkok BANGKOK POST in English  
23 Feb 91 p 21

[Article by Pongpet Mekloy]

[Excerpts] It took the Venerable Teb Wong only an hour and 40 minutes to fly from Phnom Penh to Bangkok. The distance was not so great, but the things that appeared in the two places were almost completely different. [passage omitted]

"I felt like tears were going to flood my eyes. The monasteries in our country would be as beautiful had they not been destroyed," said the priest, who led a

group of Khmer monks to Thailand to attend the annual meeting of the International Network of Engaged Buddhists. [passage omitted]

"After a brutal period which lasted three years, eight months and twenty days, the tyrant was finally overthrown in 1979. But by that time, there was almost nothing left," said Ven Teb Wong, adding that the new government had called for Buddhist monks who were still alive, in a effort to restore the religion.

"Only seven were found in the whole country," said the priest. Yes, he was one among those survivors. They were reordained. And Ven Teb Wong was chosen as leader of the first patch of Khmer monks with a mission to bring Buddhism back to life again.

"Under the new government, the Khmer people gradually gained their basic freedoms. At first, only those aged above 50 were allowed to enter monkhood. But now all are allowed, and children can become novices when they reach the age of 15," said the Head of Khmer Sangha, and added that at present there are more than 20,000 monks and novices scattered throughout Cambodia in 3,000 monasteries.

"People come to temples to make merit and listen to sermons on every religious day," said the head monk. "We also have preaching programmes on radio four times a month."

"The new leaders help as best as they can in supporting the religion," said Ven Teb Wong, adding that *kathin* and other ceremonies were sponsored by the government. "Maybe, it's because most of the new leaders were ordained before," the priest said. "As for Prime Minister Hun Sen, though he has never been a monk, he had led life as a 'temple boy' for several years.

"But, due to the warring situation, the best the government can do for religion is really not much," he revealed, adding that most of the 3,000 monasteries are still in ruins. The government cannot afford to renovate them all. Some monasteries have only a couple of monks and some are deserted.

"The monks still lack scriptures and books for Dhamma study," he said, adding that 95 per cent of religious documents were destroyed by the former regime.

Safety is another problem. In the past, Cambodia had a great many pilgrim monks or *phra thudong*. But these days, walking in the forest would run the high risk of being shot dead, being suspected as spies. "The monks staying near the border do not even dare to go far away from their monasteries," he said.

Asked if it was true, as many Thais believe, that Khmer monks, especially the *phra thudong*, possessed magic charms and were involved with the supernatural, the Khmer Head Monk laughed and said: "If that is true, they wouldn't be afraid of guerrillas' bullets. And not so many would have been killed." Yet, his laughter also carried a sense of bitterness.

The monk administration system is also weak. The title that Ven Teb Wong bore was the highest of all monks in the country. There has never been a Supreme Patriarch in Cambodia since the last one was executed by the Khmer Rouge.

Maybe all those facts can clearly explain why the Khmer monks were struck by emotional turmoil once they caught the sight of Buddhism in Thailand.

"Even the robes we are wearing were bought from Thailand," admitted the Ven Teb Wong. [passage omitted]

At the moment, Thai and Cambodia do not have official diplomatic ties with each other. But the Head of Khmer Sangha expressed his wish that there would be helping hands between Buddhists in the two neighboring countries. He revealed that, recently, the International Network of Engaged Buddhists organized a trip for Thai monks to visit temples in Cambodia to learn about the problems. And it was also this same organization who paid the plane fees for the Khmer monks to attend the meeting.

"We may have been working for 12 years on the restoration of the religion in our country," said Ven Teb Wong, "but the state of Buddhism is still like a fragile young tree which may die at any moment."

#### **Combat in Battambang District Reported**

91SE0169C Bangkok THE NATION in English  
28 Feb 91 p a5

[Article by Leo Dobbs, Agence France-Presse, Phnom Banan, Cambodia]

[Text] The observation post nestled by a 12th century Buddhist temple on this hill affords an eagle eye's view of the western battlefield in Cambodia.

The post, bristling with a heavy machine gun, bandoleers of ammunition and a mortar, straddles one of the main approaches to the city of Battambang for Khmer Rouge forces based close to the border with Thailand.

Combat with the Khmer Rouge has been sporadic in the past two or three weeks but the radical communist resistance faction made a determined bid to breach the defenses in late January, according to military and civilian officials here.

Lieutenant Colonel Chea Ros, district commander, said that Khmer Rouge guerrillas backed by four light Chinese-made tanks reached within one kilometer of Phnom Banan on Jan 29.

The attack jolted defenders but they recovered their composure to beat off the attackers with rocket fire, destroying one tank outright and crippling a second, he added.

Pan Chay, chief civilian official of Banan district stretching some 50 kms to the border with Thailand, said the Khmer Rouge had come "like spies."

The guerrillas were not a large force but the fact that they got so close to Phnom Banan, just 20 kms southwest of Battambang, should be cause for concern, observers said.

The officials lamely explained that the camouflaged tanks emerged from a cloud of kicked up dust as infantry blew a hole through the minefields.

"We believe they will not dare attack again," Ros said.

He and Pan Chay both asserted that counterattacks and continued operations had pushed back the Khmer Rouge, the military mainstay of the three-party resistance alliance.

They said the enemy had been pushed back some 15 to 20 kms, adding that shells fired from the Khmer Rouge more than 20 kms away had landed 500 meters from Phnom Banan just two days before a recent visit here.

Khmer Rouge guerrillas in Banan district were also held responsible for a deadly shelling of Battambang on Feb 10.

Ros said the guerrillas had powerful 130 millimeter artillery as well as 122mm and 85mm pieces.

Officials were taking no chances with journalists on their recent visit and an escort of seven soldiers in a military ambulance led the way on the trek to Phnom Banan from Battambang, Cambodia's second largest city.

Described by Ros as one of four or five command centers in the fight against the guerrillas, Phnom Banan is better known by peace lovers for its impressive hilltop 12th century temple.

Officials were at first reluctant to let journalists make the punishing climb to the temple, which serves as an ideal observation over the plains for miles around and as a prime target.

The Khmer Rouge were said to have hit the temple by tank fire in the January attack, but the damage seen was minor.

Meanwhile observers noted that the Phnom Penh government has said it would not place national monuments at risk from fighting, perhaps explaining the reluctance to let the journalists climb up to the temple.



## POLITICAL

**Home Minister, Legislators on Presidential Election**

91SE0165A Jakarta KOMPAS in Indonesian 23 Feb 91  
p 14

[Text] Jakarta (KOMPAS)—Minister of Home Affairs Rudini said there is no reason for the People's Consultative Council (MPR) to fear giving the names of presidential nominees, as long as they are consistent with the aspirations of the people.

Replying to reporters' questions at midday Friday in Jakarta after he closed the 23d Administrative Leadership and Staff School (SESPA) of the Department of Home Affairs, the minister said the head of state himself has emphasized that he has no power to intimidate the MPR.

"The statement the president made when visited by KNPI (Indonesian National Youth Committee) leaders must be interpreted as meaning that the MPR should not be afraid to express views as long as they truly represent the people's aspirations," the home minister said.

The head of state told the KNPI leaders when they visited him on 16 January, "No one should be afraid of me. As an ordinary person, I am not different from other people and have no power at all to intimidate the MPR."

The questions were put to the home minister in reaction to criticism made by General, retired, Soemitro, former commander of KOPKAMTIB [Command for the Restoration of Security and Order]. Speaking at a public hearing with DPR [Parliament] Commission I last Tuesday [19 February], Soemitro said that because GOLKAR [Functional Group] and the political parties are still marked by bureaucracy and feudalism they are reluctant to mention such things as the names of presidential candidates prior to the MPR General Assembly.

A reporter asked if the political climate makes it possible for people to mention the names of the candidates. Home Minister Rudini said that the current political situation should not be made an excuse for their fear of giving the names of presidential candidates.

"There is no need to think like that. All of us are in the development process at the same time, whether we are lawyers, reporters, or whatever. This includes Pancasila democracy. Thus, we should not ask, 'Can we do something in a situation like this?' We must dare to change the situation. Who else is going to make changes, if not the MPR and the Indonesian people? We must do it," he declared.

The home minister said the next MPR must be of better quality. For that reason, the government intends to improve the quality of the next election. An election of better quality will mean that the legislators who are elected will be better. They must have greater integrity.

**Majority Vote**

In a dialogue on Thursday [21 February] between reporters at the DPR and four DPR members representing each of the four DPR factions, there was agreement that the MPR's election of the president should continue to be by consultation and consensus. Election by majority vote should be conducted only if efforts to achieve consensus through consultation are unsuccessful.

DPR members participating in the dialogue were Mardinsyah of the F-PP [Development Unity Faction], Markus Wauran of the F-PDI [Indonesian Democratic Party Faction], Hadi Sutrisno of the F-ABRI [Armed Forces of the Republic of Indonesia Faction], and Damciwar, who spoke for himself rather than the F-KP [GOLKAR Faction].

Reporters' questions about the presidential election were prompted by Gen Sumitro's statement, also made at the public hearing with DPR Commission I, that the election of the president does not involve consultation and consensus but majority vote alone.

Soemitro had added that although MPR factions submit nominations for president, individual rights must be respected in the voting. This means that MPR factions may not influence individuals while voting takes place.

Damciwar said that MPR factions have the right to nominate presidential candidates, in compliance with instructions from their respective leadership council. Nevertheless, he recommended that the election of the president be done through consultation to achieve consensus.

"By such consultation, we will be able to see and consider what is good and what is bad. It may be that a candidate from one element (faction) will be evaluated by another faction as not good. Thus, we will be able to correct each other," Damciwar said. If there is no consultation, voting could be done by secret ballot, but Damciwar noted that voting could create divisions.

Markus Wauran had the same opinion but added that consultation and consensus must be free of pressure and intimidation from all quarters.

Mardinsyah said that everyone must be rational and unemotional in electing the president. "It is not a matter of liking or disliking someone. So far, since there has been only one candidate, we have always acted by acclamation under existing rules."

**Follow Pancasila Democracy**

The ABRI Faction feels that the emphasis on election of the president by consultation and consensus is the desire not of an individual but of the people, as reflected in the acceptance of the 1945 Constitution and MPR Ruling No. II/1973.

"We should not be bound by the 1945 Constitution article by article but should observe the overall spirit of the Constitution, namely that the people are guided by the philosophy of action through consultation. This means that consultation and consensus are very consistent with Pancasila," Hadi Sutrisno said.

He said that only the MPR can interpret the existing provisions for election of the president. In our still-developing Pancasila democracy, however, the emphasis remains on the need for consultation before voting.

"Of course, the possibility of voting to elect the president exists if there is only one candidate or if other candidates (providing there are more than one) cannot be eliminated," Hadi said.

### Editorial Supports Appeal for Better Election Campaign

91SE0165B Jakarta SUARA KARYA in Indonesian  
25 Feb 91 p 5

[Unsigned editorial: "General Election and the 'White Group'"]

[Text] As the 1992 general election draws closer, the so-called GOLPUT ("White Group") is also being talked about more. The people referred to as GOLPUT are citizens who have the right to vote but do not use their right. As long as there is not a country every citizen with voting rights to vote (There are countries with such laws.), it will be hard for us in Indonesia to force an individual to use his right to vote if he does not want to do so.

In a meeting last week with farmers' groups, young people, businessmen, and leading people in Citarik Village, Pelabuhan Ratu, Sukabumi, Minister of Information Harmoko, expressed his feeling of optimism that there will be no GOLPUT in the 1992 election. The minister said the 87,000 villages throughout Indonesia have arisen. "Political resilience in the villages is strong," he said. The participants in the meeting confirmed that there is no GOLPUT in the villages.

There is no doubt that political awareness is on the increase among the people, including village residents. For example, the many village delegations that voice concerns over village welfare to the DPR [Parliament] and the Department of Home Affairs are proof that political awareness is on the rise.

Although political awareness is increasing, we must be alert to the possible emergence of GOLPUT, especially in the cities. We do not know whether the reasons are political or otherwise.

As provided by our constitution, general elections are a demonstration that sovereignty over the state is in the hands of the people. Therefore, citizens lose if they do not use their right to vote.

It needs to be asked why there are citizens who do not use their right to vote. There are several possibilities. It may be that such citizens have certain political objectives, as we said before. Or, it may be that the citizens feel that the candidates nominated by the OPP's (organizations participating in the elections) are unable to champion the aspirations of the citizens or that the OPP's do not present programs that are clear and convincing, etc.

If some are GOLPUT because of certain political objectives, there is nothing that can be done as long as there are no laws that prohibit people from being GOLPUT. Their numbers probably are not great enough to affect the election.

It is much more important to give attention to those who refrain from voting because they do not feel that candidates put forward by the OPP's are able to do their jobs of representing the people in an optimal way or because they feel the OPP's do not have clear and concrete programs that are consistent with public aspirations, which are expanding in every sector. In other words, they become GOLPUT because of lack of confidence in the quality of candidates and programs presented by the OPP's. If these are the reasons, the key to eliminating GOLPUT lies in the hands of the OPP's.

Therefore, Home Minister Rudini's view that the quality of the election campaign needs to be raised is very relevant. It is no longer a matter of who has the most rallies, which tend to be riotous and which, judging by our experience in previous elections, tend to compartmentalize the people and threaten our unity and integrity. Instead, campaigns should enable voters to have intensive dialogues with the OPP's and their candidates.

## ECONOMIC

### Analysis of Country's GNP

91SE0164C Jakarta KOMPAS in Indonesian 25 Feb 91  
p 4

[Article by A. Tony Prasertiantono, student at the University of Pennsylvania: "Reviewing the Position of Indonesia's GNP"]

[Text] Although interest in Indonesia's economy is concentrated on inflation, tight money, high interest, threats of bank bankruptcies, falling stock prices, and the new RAPBN [Draft National Budget], there is still another issue that should be considered. The latest World Bank Report, "World Development Report, 1990," revealed that Indonesia's per capita GNP (gross national product) in 1988 was only \$440. This means that there was a decline from the levels of previous years: \$450 in 1987, \$490 in 1986, and even \$540 in 1984.

The falling GNP figure shifted us from our original place in the middle income economy group to the low income economy group, where we are in the company of many

African countries and some Asian countries like China, India, Pakistan, Sri Lanka, Afghanistan, Burma, Cambodia, and Vietnam.

The lower per capita GNP is caused principally by a real economic growth (i.e., growth in the GNP) that is lower than population growth (whether the figure is positive or negative). Because our population growth in the last five years has been 2.0 to 2.2 percent, real GNP growth in 1987-88 is therefore less than that (although growth has always been said to average about 7 percent per year).

### GNP Versus GDP

Although the GNP measure used by the World Bank in its report is standard and fair enough, it is rather disadvantageous to Indonesia. If other indicators, such as the GDP (gross domestic product) were presented, the results would clearly be different.

Traditionally, as fitting for a developing country, Indonesia's GDP has been bigger than its GNP. This is largely because foreign investments in Indonesia (which are GDP components) are greater than the foreign investments of Indonesian citizens (GNP components). The GDP is calculated from the value of products produced within Indonesia (whether by Indonesians or foreigners). On the other hand, the GNP is calculated from the value of products produced by Indonesian citizens anywhere (whether at home or abroad).

In 1987 and 1988, foreign investments in Indonesia were large. They totaled \$1.4 billion in 1987 and jumped sharply to \$4.4 billion in the next year. It is easy to envision that these big foreign investments would automatically enlarge the GDP. In subsequent cycles, these investments also ultimately increased the GNP through the "multiplier" process, which includes the absorption of manpower, a rise in consumption (demand), expansion of production (output, or supply), and interaction with other economic sectors.

### Time Lag

Our low per capita GNP figure may also be caused by the time lag factor. By this I mean the reaction time needed to anticipate an economic action or phenomenon. For example, when oil prices kept going down after 1982, the Indonesian economy suffered a reverse. In anticipation of this, the government tried to marshal domestic forces by such things as improving the efficiency and mobilization of funds (the banking deregulation of 1983).

The results were very positive. Combined with an improving international economic climate, these results brought revival to our domestic economy. According to World Bank records, however, Indonesia's per capita GNP did not improve until 1984-85. Thus, although the move toward economic recovery began in 1983, its effect on the per capita GNP was not recordable until subsequent years.

The case was about the same in the 1986 recession, when the price of exported oil dropped to its lowest point of \$9 a barrel. Consequently, our exports for one year totaled only about \$13 billion, contributed to equally by the oil and nonoil sectors. The government again anticipated this bad situation by a series of deregulation steps.

As a result, the structure of exports steadily improved, and the nonoil contribution rose to 60 percent of total exports in the last several years. In the forthcoming 1991-92 RAPBN, for example, the nonoil export target is boldly set at \$18.8 billion (63.7 percent), compared with an oil target of \$10.7 billion (36.3 percent).

Although our national economy appeared better in 1987 and 1988 than in 1986, the World Bank still recorded quite the opposite. The per capita GNP actually declined. Although on the surface these phenomena may seem contradictory, this is the nature of the time lag process that occurs in the macro economy.

In Indonesia's case, the time lag can be explained in the following way. The impact of the drastic decline in the government's revenues was not felt until subsequent years. The point is that when revenues fell in 1986, the government drew up a slimmer budget for the following years based on its bad experience in 1986.

Through the drafting of a conservative RAPBN (i.e., careful to stay at relatively low levels of possible overall potential), the government's capability to drive the national economy became limited, although the government had been functioning as the locomotive of the economy.

Although the private sector had appeared to move ahead, its progress much depended on spending by the governmental sector. One reason the private sector was able to grow large was its handling of many government projects. Thus, when the government had no money and spent its funds in limited amounts, big projects declined in both number and size. Reductions in projects occurred in 1987-88, and not in 1986-87, because the 1986-87 RAPBN had already been drafted and implemented.

The use of different annual periods (calendar years beginning in January and fiscal years beginning in April) also has a share in the differences that exist in the figures and interpretations of the World Bank and the Indonesian Government. Thus, it is easy to understand how our per capita GNP actually declined in 1987 and 1988.

### Prospects

Advances made by the Indonesian economy during the last several years have not yet been recorded in the World Bank's per capita GNP table. When the World Bank publishes its new report next July, however, it can be expected that the Indonesian per capita GNP will rise again, although probably not to the point of crossing the \$500 line.

There are already indications in that direction. The World Bank, too, has already anticipated it. Besides evaluating Indonesia as successful in its macro policies, the bank also said in its report that it places Indonesia in the "second tier" of newly industrialized countries, along with Malaysia and Thailand.

The FAR EAST ECONOMIC REVIEW said a similar thing in a special report on Indonesia (19 April 1990). "After the price of oil dropped in 1986, Indonesia's economic structure actually became stronger. Indonesia is now truly an 'Asian miracle,'" it said.

Such praise naturally should not make us careless. In spite of it, we must be careful of the trend toward a lower per capita GNP. This means that we must not relax in our creation of a climate conducive to business or in our efforts to stimulate nonoil exports through deregulation. Moreover, it is evident that the oil revenues we have enjoyed during the Persian Gulf crisis cannot be maintained after a real Gulf War finally breaks out. In other words, we cannot pin our hopes on oil revenues. The long-term focus should be on nonoil exports.

#### **Agriculture Minister Predicts Drop in Rice Output**

91SE0164A Jakarta *BISNIS INDONESIA*  
in Indonesian 24 Feb 91 p 1

[Text] Jakarta (BISNIS)—Because a long dry period is predicted after the present rainy season, Indonesian rice production in 1991 is expected to be 44.58 million tons of paddy, a decline of 760,000 tons, or about 1.6 percent, from last year's output.

"This estimate is based on the first forecast," said Minister of Agriculture Wardoyo when he reported to President Suharto at the Bina Graha yesterday.

Citing figures from the Central Bureau of Statistics (BPS), Wardoyo said that the provisional figure for 1990 rice production is 45,269,529 tons of paddy, which means a 1.22 percent increase over 1989. "Thus, output is greater than estimated in the third forecast, which called for an increase of only 0.5 percent," he said.

A decline in national rice production is expected because the rainy season was late. The first forecast is based on land area planted, which is 300,000 hectares less than last year because of late arrival of the rains last December. "The first forecast is a warning for us all," he stated.

The president stressed that we must therefore be ready for the dry season by preparing to plant nonrice crops such as corn and vegetables. In this way, there will be no interference with total food production.

This decline in production will not affect the overall level of national self-sufficiency in food, because output will still exceed demand.

Per capita rice consumption in 1984 was 161 kilograms. By 1989, consumption had risen to 163 kilograms per

capita, and in 1990 it was 162 kilograms. With production estimates as they are, rice consumption in 1991 will be 159 kilograms per capita, he said.

He also reported on the Department of Agriculture's program for giving help in the form of seedlings and livestock to 68,000 poor farm families and for helping 16,000 other families with making "nutrition gardens." The budget for this program in the next fiscal year will be 45 billion rupiah, which will be distributed to villages in more than 200 subdistricts in 65 regencies in 18 provinces.

Wardoyo also reported on plans for the department's working meeting, which is to be held from 25 to 28 February. Among the things to be discussed are efforts to use the funds in the department's budget without leaving much unspent money. The Agriculture Department's budget for fiscal 1991-92 will be 53 percent more than in this fiscal year.

#### **Big Firms Delay Transfer of Shares to Cooperatives**

91SE0164B Jakarta *PELITA in Indonesian* 27 Feb 91  
p 2

[Text] Jakarta (PELITA)—The big companies may not meet this year's target of selling 2 percent of their stock to cooperatives. Not only are there problems caused by economic factors not supportive of business expansion, but company owners are waiting for each other to see if any will comply with the appeal the president made at Tapos, Bogor, last year.

Sofjan Wanandi, chairman of the Prasetya Mulya Foundation, said this to the press yesterday in Jakarta following the sale of Bank Bali shares to nine cooperatives.

According to Sofjan, this situation should not be interpreted as something negative. The allocation of stock naturally must be done gradually, and the business world wants to see the impact first.

The subject of stock allocation emerged when President Suharto met with 31 business leaders at Tapos in March of last year. He said then that he hoped 25 percent of stock would be allocated to cooperatives.

Sofjan said that only 75 percent of the companies under the Prasetya Mulya Foundation have implemented stock sales to cooperatives. He hopes that the rest will take the step by March. Thirty-one companies affiliated with the foundation, including Liem Sioe Liong's firm, have committed themselves to transferring stock worth 23.4 billion rupiah to 507 cooperatives.

Sofjan said that problems in transferring stock include procedural ones, for cooperatives must first hold a general meeting of members to decide whether to accept a stock or not.

He feels that companies that have "gone public" should implement sales of stock to cooperatives. So far, he said,

only about 20 such companies have made stock sales. Several approaches to this are needed. He also noted that it is important to proceed with these stock sales in order to prevent glaring social disparities. Great disparities are easily politicized. "If that should happen, it would be hard on the business world," Sofjan added.

The transfer of stock is important not only as a compliance with the president's appeal, but also because it reflects a feeling of social responsibility. "Because our companies were born and raised in Indonesia, they need to have this sense of responsibility," he said.

#### Priority to KUD's

Minister of Cooperatives Bustanil Arifin said in his remarks that transfers of stock should give priority to KUD's [village unit cooperatives], because these groups are much needed. He cited the need to improve the welfare of farmers and fishermen with unstable incomes.

Bank Bali Principal Director R. Ramli commented on the sales of stock to cooperatives. "Every country needs to narrow the gap. Look at Singapore, where 30 years ago there was a big gap between the weak and the strong. The Singapore Government did a number of things to narrow the gap and was successful," he said.

He said the government should consider a variety of mechanisms for narrowing this gap between the weak and the strong.

Bank Bali transferred 425,250 shares of personally held stock with a nominal value of 1,000 rupiah per share. Of these, Djaja Ramli had held 172,481 shares; Liman Sandaja, SH [Master of Laws], 5,103 shares; Sukanta Tanudjaja, 64,723 shares; and Karta Widjaja, 182,943 shares. This stock was provided to the following nine [as published] cooperatives: Suka Konawehea KUD (South-east Sulawesi); First Beringin KPN [Government Employee Cooperative], Kendari (Central Sulawesi); Asri Village PRIMKOPTI [expansion unknown] (South Lampung); Guna Mulya KUD, Gudo Village (East Java); DENMA [Headquarters Detachment] PRIMKOPAD [Army Primary Cooperative], KODAM IX [Ninth Military Region Command]/Udayan (Bali); PRIMKOPAD, AJENDAM III [Third Military Region Adjutant General]/Siliwangi (West Java); South Jakarta PRIMKOPTI; and the Bank Bali Employees' Cooperative.

#### Devaluation Rumored

Sofjan Wanandi also feels that the effects of recession and tight money policies will make next year's economic conditions a cause for concern.

"Production will not decline until next year. Of greatest concern is the fact that reduced production will force companies to lay off workers," he said.

So far, however, there have been no signs of layoffs. The action taken by most companies has been to cut back on production capacity.

Sofjan thinks that opportunities for Indonesia to expand its exports after the Gulf War will be very limited.

"What can we supply to that area? The destroyed countries will need construction work to repair its oil installations, and we are not able to do that," he said. Besides, the parties, like the United States, who were directly involved will clearly have priority in the rebuilding of the two countries.

Sofjan said that rumors of devaluation must be squelched to keep the consequences of these problems from becoming even more serious. "Let us work together so that devaluation will not take place. The government has emphasized that there will be no devaluation, and we must help in this effort," he said. He added that if devaluation occurs, all levels of society will be affected.

Minister of Cooperatives Bustanil Arifin, too, said the government has stressed that there will be no devaluation. The rumors must therefore be squelched. If not, there will be problems.

#### Transmigration Should Adapt to Regional Conditions

91SE0164D Jakarta PELITA in Indonesian 25 Feb 91  
p 2

[Text] Jakarta (PELITA)—The development of transmigration must be based on the relative advantages of a region's resources. These advantages can be measured by a region's efficiency in producing and distributing goods and services to other regions.

"Relatively high efficiency will promote regional competition and stimulate specialization," Prof. Dr. Lutfi I. Nasoetion, chairman of the IPB [Bogor Agricultural Institute] Research Board, said on Saturday [23 February] in Jakarta at a seminar on "A Strategy for Transmigration Development in Preparation for the Takeoff Era." Prof. Dr. Ida Bagoes Mantra, professor at the UGM [Gajah Mada University] Geography Faculty, also spoke.

Lutfi said further that specialization will encourage interaction among the regions. "If a province sets up a special commodity area as a reflection of a regional feature, economic activity at a transmigration location should adapt to that commodity," he said.

In this context, Lutfi continued, transmigrants should be given opportunity for the broadest possible variety of businesses. The designation of transmigration patterns should therefore not be too binding. If a pattern is enforced, it should be merely from the aspect of administrative management.

#### Manpower

"Consequently, the transmigration program must focus on efforts to improve the welfare of participants and not on how many people participate. In the context of transmigrants as manpower, their resettlement must

improve the manpower supply structure in both sending and receiving regions, thus improving the average marginal productivity of manpower in each area," Lutfi emphasized.

For that reason, an understanding of manpower supply and demand in both sending and receiving regions is greatly needed for transmigration planning. From another aspect, each transmigration settlement unit (UPT) should have opportunity to diversify its economic activity to adapt to regional resources. "Standard and uniform policies for all UPT's are therefore no longer relevant."

Under such conditions, Lutfi said, a decentralized decision-making process is very beneficial. Attention needs to be given to the decision-making hierarchy, so that centralized decision-making is done only on matters of a macro type.

He believes that the argument for rejecting decentralized decision-making is often based on the hypothesis that data and information available to the central government are more complete than in the provinces. This hypothesis may be valid for data and information of a

quantitative type, but it is unacceptable for qualitative information, such as community aspirations and preferences for resolving a specific problem.

#### Population Structure

Prof. Dr. Ida Bagoes Mantra feels that the number of transmigrants sent to places outside Java, Bali, and Lombok does not have much direct effect on the population structure in either the sending or the receiving region.

Nevertheless, Ida Bagoes said, transmigrants can make important indirect contributions to efforts toward even distribution of population, because the success of transmigration in target regions will encourage spontaneous transmigration. In addition, the "chain migration" system is quite effective in speeding the flow of spontaneous migration.

Furthermore, a selective process needs to be used for the people who will be transmigrants so that they will have a bigger and more effective share in efforts toward even distribution of population.

**Cuban Medical Unit, Treatment Assistance Noted**  
91WE0285B Vientiane *VIENTIANE MAI* in Lao  
29 Dec 90 pp 1,4

[Unattributed report: "The Opening of the Third Scientific Congress of the Cuban Medical Teams"]

[Text] The third scientific congress of the Cuban medical teams was officially opened yesterday morning in the auditorium of the medical college. Those participating included Professor Vannalet Lasapho, the Deputy Minister of Public Health, honored guests, and representatives of the Cuban medical teams stationed at the Setthathilat Hospital, the Sayaboury Province Hospital and the Luang Prabang Province Hospital. A large number of the medical college students joined in. Mr

Jose Manuel Kaksiatores, the Cuban Ambassador to the LPDR [Lao People's Democratic Republic] was also an honored participant.

The purpose of this congress was to exchange information and draw lessons concerning various diseases common to the LPDR in order to treat these diseases correctly according to scientific principles and in a manner appropriate for the conditions in each locality. In addition the congress will recommend methods for operating on pang [enlarged spleen due to chronic malaria] and will review war wounds, the characteristics of malaria in Luang Prabang Province, intestinal parasites and roundworms which are spreading in Sayaboury Province, and a number of other items.

## POLITICAL

### Former Guerrillas To Take Part in Politics

91SE0163A Bangkok BANGKOK POST in English  
3 Feb 91 p 3

[Article by Hat Yai]

[Text] Former Secretary-General of the Communist Party of Malaya [CPM], Chin Peng, yesterday said he and "several hundred" former guerrillas have applied to return to Malaysia to initiate their struggle in the parliamentary arena.

The CPM leader, whose movement laid down arms two years ago, said he was convinced they can make some positive contribution to their society and country.

They wanted to return to pursue this through legitimate political means, he said.

Official Thai figures showed a total of 1,101 former CPM guerrillas had given up their armed struggle during a peace agreement worked out with the Malaysian government on December 2, 1989. Thailand acted as intermediary.

Of this number about 300 wanted to return to Malaysia while the rest have been resettled in four villages in Thailand.

Under the agreement, the Malaysian government would readmit the CPM members and allow them to enter the legitimate political arena.

There have been reports that Chin Peng has not applied to return to Malaysia.

However, the 66-year-old former CPM secretary-general said that he had already done this through the appropriate channels last December.

He is now waiting to be interviewed by Malaysian officials, Chin Peng said.

He also said those wanting to return with him to start a political movement had already applied and most have been interviewed by the authorities.

Some CPM members who are Singaporean also wanted to return to their country but the Singaporean government has not made its stance clear on this issue, he said.

Chin Peng declined to discuss in detail his plans for the political struggle in Malaysia. He would only say:

"I am optimistic that some Malaysian people will give us political support for our political struggle.

"I am realistic that the support would not be so much that we could win a political majority or anything, but it should be enough for us to launch a political movement."

Asked if his movement would contest the next general elections in Malaysia five years from now, Chin Peng said:

"I can't say yet. We will try our best, but there are a lot of problems that we will have to face."

The process of forming a political party in Malaysia is a difficult task, he said.

Asked about criticism in the Malaysian Press that the CPM is not likely to have given up their ideology after having fought the government for 30 years and was using the opportunity to return and start a political insurgency, Chin Peng replied:

"These people are prejudiced against us. It's a cold-war mentality. I have disagreements with the government but I think they understand our position."

He denied the CPM has connections with any political parties in Malaysia at present and said this would only happen one they get back.

"We are ready to return at anytime that they are ready to have us back. The criteria rests with the political circumstances facing the Malaysian government. So far we have no definite answer but our applications to return are in the process and may take some time," Chin Peng said.

None of the former CPM guerrillas who had applied to return has been official accepted back by the Malaysian government yet.

Under the peace agreement, once the CPM members are interviewed and accepted back in Malaysia they would not face detention, interrogation or restriction of movement.

"We will be free," Chin Peng said. He appreciated the government for having kept to the agreement and expected no obstacles, he said.

Pressed concerning the platform of his political movement, Chin Peng declined to answer but said:

"We will respect the Malaysian constitution and its laws. The government understands this.

"We have talked about this clearly with them. We will fight according to the rules and regulations of society."

He would be a founder of the party to be formed, but did not know if he would be its leader because this would depend on the administrative committee of the party to be set up, he said.

"All my life I have been doing political work and I believe that at the end of it I will also certainly be involved in political work," Chin Peng said.

For personal reasons some senior members of the CPM decide not to go back to Malaysia and chose to resettle in Thailand, he said.



Chin Peng denied reports that he is having a good life in Thailand and does not want to return home.

"I will certainly go back. I don't know what the future will be but I think the people will give us some support," Chin Peng said.

He thanked Thailand for mediating the agreement with the Malaysian government and for resettling CPM members in four villages near the border with Malaysia.

Meanwhile, Lt-Col Srisak Lertlum, an intelligence officer attached to the combined Thai-Malaysian Task Force, said that former CPM guerrillas have been working with the force to recover mines they laid in the border area.

All mines on the Thai side of the border have already been cleared and since the January they had been clearing mines on the Malaysian side of the border in Pelak state.

Five teams of Thai and Malaysian officials, along with the CPM members, who are in charge of disarming the mines, have already recovered hundreds of mines, guns, detonators and supplies, buried in the area opposite Betong.

The Pelak area is expected to be cleared soon and they would then move on to clear mines in the Kalantan area opposite Narathiwat province, Lt-Col Srisak said.

### **Rapprochement Between UMNO, PBS Encouraged**

*91SE0167A Selangor SIN CHEW JIT POH in Chinese 5 Feb 91 p 29*

[Editorial: "Political Situation Trends Following Talks Between Ruling and Opposition Party"]

[Text] Communication between the National Front and Parti Bersatu Sabah [PBS] about political differences took place last Friday morning in the premier's office where both parties reached agreement on several points, including allowing UMNO [United Malays National Organization] or the United Sabah National Organization [USNO] to take part in the Sabah government. Although this agreement is only an abstract principle without any concrete substance, the ability of these two political parties finally to break their deadlock for a revival of harmonious communication lays a new foundation for good relations between the two parties.

The gradual establishment of consultation between these two parties may be said to mark a new development in domestic politics since the general election of 1990. This discussion between the two political parties has two positive functions: First, it helps maintain stability in the political situation. The main reason for the current disquiet in the Sabah political situation is a difference in views about the national goals of the PBS and the National Front, and the extent and speed of political reforms that the Sabah government is pursuing. Every

time that partisan controversy devolves into demonstrations and street confrontations between the public and public order personnel in Sabah, not only does turbulence in the political situation threaten the country's image, but also creates an outflow of capital and skilled personnel, thereby weakening the country. However, putting an end to the turbulent political situation requires improvement in relations between the Federation and Sabah governments. Thus, harmony between the two parties is a necessary means for reducing discord between the party in power and the opposition, and for eliminating misunderstandings, thereby decreasing the frequency of confrontations.

Second, it helps rectify weaknesses in the operating system. The glue that holds together the political situation in Malaysia today is the close link of the governments of each state with the Federation. If the political parties in power in the Federation government and in the governments of the states come from different camps, this may give rise to difficulties in the operation of the political system. Such a situation can only be corrected after the party in power's policies are carried out from top to bottom. However, the shortcoming of a party having insufficient representation in government requires better communication between the parties in and out of power to enable the opposition party to participate in decision making. This requires systematized consultations between both parties. Of course, the main goal of the recent talks between the National Front and the PBS was to discuss the latter's return to the National Front as a means of facilitating direct participation in decision making by returning to the country's political mainstream. Certainly, these discussions have a positive function, but the goal of consultation should be the establishment of a democratic political system and thorough implementation of national politics. Therefore, both parties absolutely cannot enter into a secret sharing of political power in the name of consultation. Their greatest premise should be maintenance of the rights and interests of the people of Sabah.

We hope that this mode of discussion between the National Front and the PBS will become gradually established to improve relations between the Federation and state governments, thereby putting an end to crises being triggered at any moment, or bringing about an easing of confrontational postures. This is bound to produce a fine result. No announcement has appeared so far regarding the details of the talks between the two sides, so the overall state of affairs remains obscure. Even though some disclosures about the agreement between the two parties have given rise to numerous controversies, the situation is by no means serious. In terms of political realities, at least, there has been no damage to the positive results that the discussion between the two parties attained.

After the PBS withdrew from the National Front during the general election in 1990, relations between the two parties have been at low ebb. All sorts of turmoil about planning for the conference of chief ministers of each

state and organization of the National Development Committee, as well as about federation disbursements to each state have dampened relations between the two parties. In particular was the conference of chief ministers of each state, which the National Front government orchestrated. Since the party in power took complete charge, the views of states in which opposition parties held power were completely brushed aside. Such a method of operation naturally had a seriously adverse effect on state governments' administrative plans, and it also increased difficulties in consultations among political parties on other matters. In addition, several legal litigation cases have also constantly disturbed the PBS leadership.

The reasons for the shriveling of relations between the two parties are not difficult to understand. The first reason was differences of opinion within both parties. The need to reach accord within each party frequently prevented improvement of relations between both parties, thereby making political discussion difficult to achieve. In the case of the National Front, its independent posture with regard to the national development plan resulted from the conservatives within the party being unable to tolerate PBS participation. In particular the recent shenanigans of the USNO were difficult to fathom. In the case of the PBS, as a result of an intensification of internal factional disputes about a difference in views as to whether the party should return to the National front, some leaders also rejected National Front-prescribed goals. The second reason was weak mutual confidence between the two parties. For example, whether UMNO should go into Sabah remains unresolved, but USNO chairman, Tun Mustapha Harun took the lead in entering UMNO, and he intends to resign his position as a member of the state legislature to hold a supplementary election. Some leaders in the PBS regard such methods as complicating and confusing the political situation rather than providing greater opportunity for consultation. This behavior cannot help but provoke a strong reaction from the PBS.

No matter what, after more than three months, various responsible people in both the National Front and PBS are working to revive consultations between the two parties in order to prevent a continued worsening of the situation. This is a gratifying development. As to how the situation will develop in the future, this is difficult to predict at the present time. Possibly it will be necessary to wait until after this month's USNO political convention to obtain further information. We hope that further consultations between both parties will not atrophy as a result of some chance event.

Prime Minister Mahathir said yesterday that the UMNO agrees in principle with a coalition government of PBS and USNO. The prime minister has made clear that consultations between the Parties in and out of power are to continue. We believe that if the upper echelons of both parties are able to establish good channels of communications for regular exchanges of views on topics such as government organization, major legal cases, and

mutual relations to reach a consensus, this will be of positive assistance to political harmony and democratic development. However, for party consultations to produce useful results, both parties will have to resist pressures from extremists in their party, using the consensus that exists as a basis for strengthening mutual confidence. For the present, the most pressing issue is for the party in power to adopt more flexible methods in accepting the PBS's return to the national political mainstream. However, the PBS, must also take into account the objective situation, conform to political realities, and adjust the pace of its own advance at all times.

We believe that so long as responsible people in both the party in power and parties out of power can place the welfare of the people first, developing harmonious good faith, they can then establish smooth channels of communication and consultation should become easy.

## ECONOMIC

### First Trade Surplus With PRC Reported

91SE0166A Selangor SIN CHEW JIT POH in Chinese  
31 Jan 91 pp 3

[Article: "Malaysia Shows First Trade Surplus With China. Earns 18 Million Ringgits During First 8 Months of 1990"]

[Text] During the first eight months of 1990, an all-time record occurred in Malaysia's trade with China. For the first time ever Malaysia "changed from a loss to a profit" in trade between the two countries, showing an 18.4 million ringgits trade surplus.

For many years, China has always held the advantage in trade between Malaysia and China, the amount of China's exports to Malaysia far surpassing the value of its imports from Malaysia.

Data from the Ministry of International Trade and Industry show trade between Malaysia and China as totaling 1.9166 billion ringgits between January and August 1990. This included Malaysian exports to China of goods having a value of 967.5 million ringgits, and imports from China of goods having a value of 949.11 million ringgits, resulting in a favorable trade balance for Malaysia for the first time of 18.4 million ringgits.

Officials in the Ministry of International Trade and Industry believe this to be the result of Malaysian government efforts during 1990 to attract excess foreign capital while also not forgetting to encourage local firms to develop foreign markets, particularly making inroads into China with a population of 1 billion. This evoked a positive response from the private sector.

During 1988 and 1989, trade between Malaysia and China totaled 2.3559 billion and 2.952 billion ringgits respectively. During these two years, China enjoyed a surplus trade balance of 175.9 million and 347.9 million ringgits respectively.

In 1989, Malaysia's trade with China accounted for only 2.4 percent of Malaysia's trade worldwide, or 1.8 percent of its exports and 2.9 percent of its imports. Consequently, potential for advances in trade between the two countries is unlimited.

### Senate Wants Early Election

91SE0145C Manila *DIYARYO FILIPINO* in Tagalog  
13 Feb 91 p 1

[Text] Yesterday, six senators proposed a bill to hold elections for members of Congress on the second Monday of February, 1992.

It will be three weeks earlier than the date designated for the presidential election.

Senate Bill No. 1742 was proposed by Senators Ernesto Macdeca, Ernesto Herrera, Mamintal Tasmano, Orlando Mercado, John Osmena, and Joseph Estrada.

This bill rejects the idea of holding both the national and local elections in 1992.

This bill also proposes the holding of congressional elections, on the same day and month given above, every three years after 1992.

250 million pesos have already been allocated for the February, 1992 election.

The senators said that there are many people who agree to the idea of not having simultaneous elections on the second Monday of May, 1992, as provided for in the Constitution.

The senators also stated that three bills have been proposed for the electoral desynchronization: first, to hold the local elections before the second Monday of May, 1992; second, to hold the local elections after the elections of the president, vice-president, and members of Congress; and third, to hold the election for the president and vice-president before May, 1992, in a snap election.

The Aquino administration rejects the notion of holding a snap election, and of lengthening the tenure of the local officials after 30 June 1992.

On the above date, the tenure of all the national and local officials will come to an end, as provided for in the Constitution.

The senators further stipulated, "... We believe that it is in the national interest to hold very early elections for the senators and the congressmen before the second Monday in May of 1992."

Furthermore, the senators explained that if the local elections are held much earlier, then those who lose (the losers) will be declared useless by their own people; hence, even before the end of their tenure of office, their official influence will cease, and this will greatly assist the government in implementing its programs.

In addition, the senators made it clear that if the elections will be held early, only a handful will be able to run for the presidency and vice-presidency, thus giving the voters enough time to vote for those they really want.

### Genuine Reforms Needed by Government

91SE0145A Manila *DIYARYO FILIPINO* in Tagalog  
22 Feb 91 p 8

[Text] Coups d'etat against the government will simply disappear if genuine reforms are instituted and confidence in the government is restored.

This is what Senator Juan Ponce Enrile stated at a rally in Tuguegarao yesterday.

Enrile, 66, acknowledged that the rebellious soldiers lost a lot of ground when three of their leaders were captured. However, "In this game, time is on their side," he added.

The Senator also said, "If we, the politicians of our generation don't change, then the rebels will have reason to accuse us, the politicians, of causing trouble in the nation; thus, they will be justified in mounting coups d'etat."

At the present time, Enrile is travelling around the country campaigning to be the standard bearer of the Nacionalista Party in the 1992 elections. Over 2,000 people attended his rally in Tuguegarao, the capital of his own province, Cagayan.

Enrile's foremost opponent for the NP nomination is Vice-President Salvador Laurel.

The threat of a coup d'etat "can become more dangerous if it persists" said Enrile, the former Secretary of National Defense (DND), who is currently facing charges of rebellion related to the failure of the attempted coup d'etat on 1 December 1989.

"If the country's leaders do not reform the system, the problems cannot be solved," he added. "Many young officers—lieutenants, captains, and majors—who will become future generals are now affected. And their character and way of thinking have been influenced and changed."

On the other hand, a few days ago, Lt. Gen. Rodolfo Biazon, chief of the Armed Forces of the Philippines (AFP), stated that the right-wing rebels are now incapable of launching a coup d'etat after the arrest of three of their foremost leaders.

But Enrile responded thus: "It is possible that he (Biazon) does not really know what he is talking about or perhaps he is keeping some information secret."

With regard to the President, Enrile stated that "Many people wish they could just simply fire Mrs. Aquino by tomorrow."

**Postponement of 1992 National Election Rejected**

91SE0145B Manila DIYARYO FILIPINO in Tagalog  
8 Feb 91 p 8

[Text] It will cost the government about 1.5 billion pesos if the national election is postponed from 1992, since this would lead to the holding of six elections from 1992 to 1998.

This was stated yesterday by Representative Carlos Padilla (LDP Nueva Ecija), chairman of the House of Representatives Election Committee.

According to Padilla, who heads the group which is against the postponement of the national election, instead of changing the date of the elections, local and national elections should all be held in 1992.

Padilla stated that he will propose a modified bill that will mandate simultaneous national and local elections in 1992.

Meanwhile, yesterday Speaker Ramon Mitra started soliciting the support of the House members in his

ambitious bid to become the standard bearer of the (Liberal Democratic Party), "Against-the-Democratic-Filipino Party" (LDP), in the 1992 national election.

On the other hand, the newspaper DIYARYO has learned that there are supposedly three groups currently competing for support for their candidates.

It has been learned that the Independents and the LDP are forming a group headed by the Assistant Minority Floor Leader Ronaldo Zamora and Representative Leonardo Guerrero. They support Mitra.

The second group, known as the LDP Group of 34, headed by Assistant Majority Floor Leader Raul Roco, and Representatives Tessie Aquino-Oreta and Miguel Romero, supports President Aquino.

According to the above group, a third group, headed by Majority Floor Leader Francisco Sumulong, is still waiting for an opportune time to decide whom to support in the national election.

## ECONOMIC

### Court Orders Planned Against Patent Infringers

91SE0174C Bangkok *THE NATION* in English  
21 Feb 91 p B1

[Article by Oranuch Anusaksathien: "Commerce To Pounce on Patent Infringers"]

[Excerpt] Officials studying patent law reforms will recommend that court orders be used to snuff out infringements even before the first illegal unit rolls off the production line.

The measure has been proposed as part of government effort to beef up protection for patent holders. Court orders would only be used in cases where there is sufficient evidence to warrant their implementation, according to a reliable Commerce Ministry source.

In addition, the sub-committee responsible for drawing up tougher patent laws will also suggest that the burden of proof rest with the imitator rather than the patent holder as is currently the case, the source added.

These two measures will combine to enhance the ability of the patent holder to take legal action against infringements in the event that the Patent Act 1979 is strengthened to provide protection to controversial pharmaceutical products, their active ingredients, food, drinks, biotechnological processes and farm equipment.

Under current regulations, the patent holder is empowered to invoke a court order only after production has commenced and damage to the business sustained. Moreover, the patent holder must prove that an infringement has taken place.

According to the source, other measures to prevent the exploitation of patent rights are being devised to safeguard the interests of consumers. To this end, the committee is considering establishing a price-monitoring body for patented products.

Moreover, the Internal Trade Department is also working on a standard costing of goods to enable the authority to make better judgement on requests for price increases. The department will also be asked to monitor prices of patented products. [passage omitted]

### Drug Law Patent Changes Reviewed

91SE0174A Bangkok *BANGKOK POST* in English  
19 Feb 91 pp 17, 16

[Article: "New Drug Law To Deny Protection for Old Patents"]

[Text] All pharmaceutical products registered in any part of the world before the enforcement of the amendment draft of the patent law will not be protected by the Thai Government.

Pharmaceutical Producers Association (PPA) executive director Vanida Chitman told *BUSINESS POST* yesterday this was one of several points contained in the amendment draft to the Patent Act B.E. 2522, which was now being studied by the special committee led by Permanent Secretary for Commerce Bajr Isarasena.

Mrs. Vanida said Section Six of the draft stated only new pharmaceutical products which had never been registered elsewhere would be accepted by Thai authorities for further registration.

This meant all existing drugs registered in any part of the world could not be registered in Thailand, and no protection would be provided for these drugs.

Her statement clarified conjecture that Thais would have to pay more for all drugs once the amendment was approved by the Government and Parliament.

### Benefit

"Through this, foreign companies would not be able to dominate the local drug industry," she noted.

Mrs. Vanida whose association represents international research-based pharmaceutical industries, said another benefit of the draft was that local drug producers could continue producing existing drugs which were not covered by the law.

Mrs. Vanida said registering new drugs, as practised worldwide, would take about 10-12 years before they were actually distributed in local market.

This would give ample time for local producers to develop themselves and introduce new products.

"Thailand's competitiveness in pharmaceutical production would remain unaffected throughout the time lag," she said.

Mrs. Vanida stressed that with the adoption of a product patent system for pharmaceutical products, the Thai Government would greatly achieve its goal to increase the research and development for the industry.

She was also pleased with the outcome of the last week's meeting of the committee reviewing Thailand's intellectual property rights protection, which had made progress on the matter.

Prof. Vanida said the association agreed with the committee to provide more protection for pharmaceutical products, and the extending of protection period from 15 years to 20 years.

The association also agreed with an improvement to the compulsory licensing requirement, which was likely to benefit patent holders more than the existing law.

Meanwhile, the PPA issued a statement attacking the American Pharmaceutical Manufacturers' Association

[PMA], which filed a petition under Section 301 of the U.S. Trade Act seeking action by the U.S. Government against Thailand.

"In any activity, timing is important and the timing of the U.S. PMA could have been better. The timing of filing any bilateral action is not within the control of the PPA," the statement said.

The association complained to the Thai Pharmaceutical Manufacturers' Association (TPMA) about a strong letter of protest against the revision of the Patent Act, which was sent to the Government. This might cause the U.S. PMA to lost patience, she said.

Although the PMA did not attack the draft amendment of the Patent Act, some analysts are concerned it might negate Government efforts to solved the dispute with the U.S., because U.S. PMA might not be satisfied with the outcome of the amendment.

But a highly-placed source in the committee said the amendment's scope of protection would be in line with international practice, especially the outcome of the General Agreement on Tariffs and Trade talks, and it aimed to provide adequate and effective protection of pharmaceutical patents.

### Problems in Indochina Trade Surface

91SE0174B Bangkok *BANGKOK POST* in English  
28 Feb 91 p 14

[Article: "Indochina Draws Giants to Bangkok"]

[Excerpt] [passage omitted] Thanks to coverage in the THAI PRESS, information about Indochina and Burma is easier to come by in Bangkok than it is anywhere else. But despite former Thai prime minister Chatchai Chunchawan's often quoted ambition "to turn the battlefields of Indochina into marketplaces," Thai companies have done little to capitalise on their strategic location.

### Better

Part of the problem is that Thailand cannot compete with Singapore or Hong Kong, both duty-free ports, as re-export centre for Vietnamese goods. Singapore and Hong Kong are already among Vietnam's major trading partners. They are better situated for direct shipping routes to and from Vietnam, and they offer better port facilities than any available in Thailand.

Where Thai companies have met with success in Indochina and Burma has been in dubious deals to

exploit their neighbours' natural resources—logging concessions in insurgent-infested areas along Thailand's borders with Burma and Cambodia; and fishing concessions in Burma and Vietnam.

Thai companies have helped earn Thailand's businessmen an "ugly Thai" reputation throughout Indochina. "Most Thai and Hong Kong businessmen are not too serious," says Tran Duc Nam, a garment manufacturer in Ho Chi Minh City.

Some Thai manufacturers are beginning to profit from the newly legalised border trade with Burma, Cambodia and Laos. About half of Vietnam's consumer products are Thai goods that have been smuggled in through Cambodia. Thailand's well-developed light industries, combined with its porous borders, promise to pose tough competition for Indochina's local manufacturers for many years to come.

But for most of corporate Thailand, success stories in Indochina and Burma have been rare. Inadequate legal and physical infrastructure have discouraged many potential investors. Few have the patience needed to venture into these complex, under-developed economies.

"Many of the Thais exploring opportunities in Indochina still have a shophouse mentality toward investment," says one Bangkok-based executive. "The investment climate is much better-suited to multinationals."

The fact has brought benefits to Thailand. Multinationals which have recently set up headquarters in Bangkok, in part because of the Indochina and Burma markets, include Overseas Telecommunications Corp International (OCTI) and Southern Pacific Hotels Corp (SPHC), both of Australia, as well as Essilor.

The few Thai companies with strong Western management styles, such as the Charoen Pokphand Group and Bangkok-based European trading houses, are also pushing hard into Indochina.

For most Thai companies, Indochina and Burma remain only potential money spinners. But, says Bangkok-based Timothy McKenna, research manager of Jardine Fleming Securities Ltd., "I use Indochina as a marketing point. It is a positive factor for Thailand because it is, more or less, a horseshoe of potential markets with Thailand at the centre."

"But with regard to actually making money for Thai companies, (Indochina's impact will be) minimal in the near term, and by the near term I mean the 1990s."

## MILITARY

### Border Forces Crack Down on Smuggling

912E0131A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 8 Feb 91 p 2

[Article by Han Viet Hoan: "Border Forces on the Anti-Smuggling Front"]

[Text] Since 1989 smuggling in our country has been taking place in an extremely serious manner, and now continues to become worse. It was estimated that the smuggled goods that entered our country in 1989 were valued at nearly 1,000 billion dong; in 1990, nearly 1,500 billion dong (an increase of nearly 50 percent).

According to the report of a task force assigned to a study of smuggling in the northern provinces, the goods that smugglers bring into the country consist of many kinds, which depend on market needs in different locations and at different times and price differentials. Across the northern and southwestern borders, the smuggled goods commonly brought in are nonferrous metals, rubber, yarn, rice, and so on; from the sea, coal and scrap iron; and through air routes, antiques, precious stones, and so on. Along with goods being smuggled out of the country, gold and foreign currencies were also illegally taken out of the country to pay for the smuggled goods being brought in. In 1990, it was estimated that about 2,000 tons of copper, more than 100 tons of tin and aluminum, and thousands of tons of manganese ore valued at more than 30 billion dong were illegally taken out of the country; gold and foreign currencies, at more than 250 million U.S. dollars. According to the same report, the most common smuggled goods that were taken into the northern border provinces were foreign cigarettes, beer, soft drinks, motorcycles, automobiles, electronic goods, cotton materials, garments, cosmetics, and so on. The total quantity of foreign cigarettes smuggled into the country in 1990 was estimated to be more than 150 million packs valued at about 40 million U.S. dollars; motorcycles, more than 100,000; and beer and soft drinks, tens of millions of cans valued at tens of billions of dong.

Along with the forces and people throughout the country, the border forces of provinces, municipalities, and special zones were fighting against and effectively stopping smugglers, discovered and handled more than 20,000 cases of smuggling and more than 500 cases of counterfeiting, and confiscated 150 billion dong worth of goods and means. Only since August the border forces of the northern provinces have handled about one-third of those cases. For the time being, the fight of the border and other forces is being concentrated on smuggling into the country foreign cigarettes, copper, and nonferrous metals; smuggling out of the country and illegally dealing in gasoline and oil; and producing and circulating coal, cement, and so on, in compliance with the Council of Ministers chairman's directives. The border forces especially are actively fighting smuggling while combining

this effort with the fight against corruption, the latter being an unexpected central task, a kind of current affair of political, economic, and social significance that needs to be done right away and properly. However, in spite of the above-mentioned results, the border forces' fight against smuggling still was not properly carried out in many aspects and failed to attain the goal that had been set for it. The cases of smuggling that were discovered and handled represented only a low percentage (about 10 percent) of the real problem. Many gang leaders, top smugglers, and organized smuggling rings have not yet been discovered and punished. Nor have we put an end to the fact that many economic organizations of the state and mass organizations take part in smuggling. The number of cases tried in court remains small and the trials are still slow, hence there have been no preventive and educational effects of such trials.

In the time to come, the task of all sectors, echelons, localities, and border units to prevent smuggling and to fight smugglers remains a hot and urgent topic.

### MR 7's Shortcomings in Weapons Management

912E0131B Hanoi QUAN DOI NHAN DAN  
in Vietnamese 11 Feb 91 p 2

[Article by Anh Thao: "Management of Weapons, Equipment in Military Region 7 Currently Shows Neglect, Lack of Strictness—In 1990, Losses of Weapons Occurred in 18 Units—Measures Have Not Been Taken To Put an End to the Problem"]

[Text] According to combined information provided by the active organs in Military Region [MR] 7, the management of weapons and equipment by its units in 1990 showed a great deal of neglect and lacked strictness to the extent that losses and breakdowns had been allowed to take place. The pending cases and statistics are the alarm that is being sounded to remind commanders and party committee echelons of the need to review the task of maintaining their units' weapons and equipment.

Last year 18 units allowed losses of weapons to occur, with some of them suffering from repeated losses, but there were no measures taken to prevent them from taking place. Although in most cases the lost guns, following an investigation, were later retrieved, the great loss that was not retrieved was that of human beings. The military region prosecuted 15 soldiers who were charged with buying-selling weapons, poorly managing weapons so as to allow their losses, or deliberately destroying weapons in such a large quantity that their action affected the task of being ready for combat and training. What were the reasons behind that situation? By seeking to know the real state of management of weapons and technical equipment in Military Region 7, we have found these major reasons:

First of all, because the management of troops, weapons, and equipment in the units had remained weak, a number of cadres and soldiers who did not want to train themselves and pursued money stole weapons from their



units or destroyed ammunitions and weapons to turn them into scrap iron, which they sold to get money for their personal spending, as in the case of selling seven AK's, one carbine, and seven cases of ammunitions captured from the enemy but left out of the unit's table of organization and equipment in Division 302 and the case of Vo Van Tong (of the Long An Provincial Military Command), who destroyed guns and ammunitions to get aluminum and cooper and sold them to get money for his own spending.

Then there were cadres and soldiers who had been assigned to manage weapons but were irresponsible enough to allow losses of guns and ammunitions to take place; what surprised people was the fact that they did not know at what time, any point in time at all, those losses took place (as in the case of a major of the local military school in Tay Ninh who lost a K54, which he had placed on the head of his bed, and said he did not know when; Brigade 477 also lost two AK's, which had been on the gun rack, but did not know when, nor the serial numbers of the guns).

Attention was not paid yet to the management of weapons in peacetime. There were large warehouses that had been assigned to a single or two soldiers to take care of, without any other party members and cadres being assigned to their management. Investigation revealed that some cadres and warehouse keepers who lacked firmness allowed soldiers to destroy quantities of ammunitions and weapons before they would know about their action (as in the case of Vo Van Tong of the military command of Long An Province) and that unscientific arrangement of the stored materiel in warehouses allowed various kinds of weapons, communications equipment, and training materials to be mixed together and placed in the same places and to share the same locks.

When the situation of political security changes in a complicated manner as it does now, the consequences of letting a gun and a round of ammunition fall into the hands of an enemy or a bad person will be unthinkable. Therefore, the management and maintenance of weapons and equipment must draw our regular attention.

Weapons and equipment are the people's properties which the party has assigned us to manage so as to be ready to fight to defend the fatherland, to defend the party, and to defend the people. Party committee echelons and unit commanders must have plans and take the necessary measures to make the follow-up, registration, management, and maintenance of weapons become a routine task. Only by so doing can we fulfill the task of being ready to fight to defend the fatherland that the party and people have assigned to us.

### Tradition of Army-People Solidarity Continues 912E0136B Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 90 pp 32-37

[Article by Colonel Nguyen Trong Thang]

[Text] The Chien Thang Division—a heroic unit of the people's armed forces—which was formed on 27 December 1950 during the first days of the resistance against the French colonialists and which is now 40 years old, is known as one of the units with a wonderful army-people relationship like "fish and water." When President Ho visited the division on 1 January 1964, he said: "Everywhere you go, you must always remember the good relationship and have solidarity with the people and local authorities. With army-people solidarity, we can defeat the French. Army-people solidarity is a strength that can move the earth. With this strength, we can defeat any enemy and complete any task." Imbued with the words of President Ho, the cadres and soldiers of the division have constantly strengthened and manifested the army-people relationship with new experiences that are very useful for implementing the party's and army's policy of strengthening mass agitation.

1. As for army-people solidarity, above all, there must be solidarity between the unit party committee echelons and the local party committee echelons. There must be solidarity between the command and unit cadres and local administrative and mass organization cadres based on the socialist renovation lines, positions, and policies of the party.

This is a basic lesson that was affirmed just after the division was formed, and this has been a lesson throughout the 40 years of the division's history. This has become a valuable tradition of the Chien Thang Division, a lesson that belongs to the party's principle of building a people's army. The army, like the people, authorities, and revolutionary mass organizations, are led by the party. The party organizations in the army and in the localities are responsible for implementing the lines, positions, and policies of the Communist Party of Vietnam and leading their implementation among the various targets. If there is a lack of unity between the unit committee echelons and the local committee echelons, it will not be possible to have a good army-people relationship. If major problems arise in the army-people relationship, the first thing that must be done is to look for the reason in the lack of unity between the unit committee echelons and commanders and the local committee echelons, authorities, and mass organizations. This was manifested very clearly during the recent land disputes between the localities and the units. The local committee echelons, authorities, and mass organizations cannot be separated from the local people. The local committee echelons and authorities must be allowed to take care of the mass interests in the localities. That includes the vital interests of the families and of the local cadres themselves. Thus, with respect to all matters, no matter how large or small, that are related to the interests

of the people in areas where troops are stationed, conflicts, and problems that arise in the army-people relationship, the unit and local committee echelons must discuss things and reach agreement. This unity is above all unity concerning the party's renovation lines, positions, and policies, which have been codified as state law. If the lines, positions, policies, and laws have been renovated but the cadres and party members, particularly cadres and party members in leading organizations, including those in units and in localities, continue to hold conservative views and ideas, it will not be possible to unify will power or actions.

Previously, during the war and during conditions in which there were state subsidies, how could there be land disputes like today? There were few land disputes among the people, and there were no land disputes between the economy and national defense or between the people and the army. At that time, everything was committed to defeating the American imperialists. The people and state spared nothing to support combat. Who would have lamented a piece of land? Furthermore, arable land for economic development was not a pressing matter as it is today. The military units that had to set up battle positions, build camps, and build national defense plants in the transplanted fields and cultivated areas were allowed to do whatever necessary to satisfy the requirements. But today, the situation is totally different. Land for farming and construction is as valuable as gold. This is good. It is a manifestation of renovation in general and a result of the renovation of the land policy of the party and the Land Law of the State in particular. The Land Law stipulates that "Land is a very valuable national resource. It is a special production material of farming and forestry that cannot be replaced. It is an important element of the living environment and the site of population zones and economic, cultural, social, security, and national defense installations." Every organization, unit, and citizen must understand the great role of arable land and have an all-round view in order to make the most effective use possible of the arable land.

Imbued with this viewpoint, the leaders and commanders of the Chien Thang Division have returned half of the arable land used as a firing range to the localities for farming purposes, and the local committee echelons and authorities have realized the unit's need to use land to build the army and solidify national defense. This can be compared with a number of units and other localities. Sometimes, land disputes break out because things are not handled properly from the viewpoint of the two sides, because there is no renovation viewpoint, and because this or that need is exaggerated. Small matters turn into major issues. There have even been fights, and people have been hurt.

There are similar problems concerning many other things, such as exploiting the forests, buying and selling essential goods, maintaining the environment, and so on. Troops go into the forests and cut down trees in a haphazard way. They compete in buying and selling goods, which turns market prices upside down. They

raise large livestock in unsuitable zones and pollute the environment, such as the air and the sources of water used by the people. And so how could the people have any love for them?

A high degree of unity concerning the lines, positions, and policies of the party and laws of the state between the unit leaders and commanders and the local leaders and authorities is necessary not only to create favorable conditions for resolving the disputes but also to manifest the role of the units in helping to build the localities and exploit the capabilities of the localities in helping to build the units. Imbued with the crop cultivation and afforestation policy, the Chien Thang Division has actively contributed to implementing the policies of the localities on cultivating the barren hills in the places where troops are stationed. With a thorough understanding of the policy of building up the army and solidifying national defense, the localities have provided the division with thousands of bamboo trees to make targets and training implements. In building dikes to prevent flooding and control droughts, building water conservancy projects and schools, and so on, there has been unity between the unit leadership and the localities. The localities have seen that having units stationed troops in their area is advantageous, and the units have realized that the localities are places on which they can rely. Thanks to this, the army-people relationship, like that of fish and water, has grown closer and closer.

2. To have army-people solidarity, constant attention must be given to teaching both the troops and the people to implement the instruction of President Ho: "Every soldier must be a propaganda cadre."

Based on their functions, the leadership and command echelons in the military must educate the cadres and soldiers, and the leadership echelons, authorities, and mass organizations in the localities must educate the people. At the same time, the military units are also responsible for coordinating things with the local leaders, authorities, and mass organizations in spreading propaganda and educating the people.

The experiences of the Chien Thang Division show that in addition to the basic educational and political contents such as the lines, positions, and policies of the party, particular attention must be given to teaching the cadres and soldiers about the situation and work policies of the localities and about the unit's tradition of being close to the people.

When a unit stations troops in an area, not only the leading cadres and commanders but also the cadres and soldiers must be kept informed about the situation there. They must understand the political, military, economic, and cultural situation in the locality, the special zones, and the targets that must be guarded against and influenced. Based on the situation, the units must educate the cadres and soldiers about the positions and policies related to the situation. Most of the divisional units are stationed in rural areas. The main production activity of

the people in these areas is agriculture. A few are engaged in forestry. Land disputes are a pressing problem in many places and in these areas. The Land Law must be explained to the troops, and they must be informed about the agricultural policies in renovation. This is necessary so that the units can carry on activities well and so that the troops can contribute to spreading propaganda and educating the people. This is also necessary in order to have a viewpoint and measures to handle land disputes among the people and between the people and the army. Most of our troops came from a rural area. Educating them about the Land Law and the agricultural policies will have not only a narrow effect locally but also a broad effect in the sense that this will enable the cadres and soldiers to understand things, spread propaganda among and educate their families, and clarify their own views when complex problems arise in their native villages in the process of implementing the land and agricultural policies.

The division also has troops stationed in zones near cities and large and small towns, in tribal areas, and in areas with important communications routes. The primary level units with troops in these specific areas have, depending on the situation, educated the troops about the policies concerned, such as the industrial-commercial policy, the tax policy, and the ethnic minority policy. Whenever there is a major political activity in a locality, such as the election of a people's council, a war invalids and war heroes day, and so on, the units have spread propaganda and educated the cadres and soldiers so that they can carry out things well and participate in spreading propaganda and educating the people. The Chien Thang Division has given special attention to adhering to the situation and enabling the troops to see the economic problems and the difficulties in the lives of the people in the areas where troops are stationed so that they will feel sympathy, not cause problems for the people, and help the people in a practical way. In 1989, one regiment provided localities with thousands of man-days of help in carrying on public labor projects and helped households in the policy categories and families that lacked manpower. They raised millions of dong to help people in the flooded areas. The division also provided the villages and districts where troops are stationed with almost 6 million dong to build cemeteries for war dead in 1989 and 1990. It contributed 1.5 million dong to the people to build strong bridges, which were inaugurated in 1989, and to maintain convenient communications and travel even during the rainy season.

The building of safe sites clearly depends on both the army and the people. To achieve the desired results, both the troops and the people must be educated well. Every cadre, soldier, and civilian must be made to see the benefits of building safe hamlets and villages and safe zones. They must be made to see that this will protect both the military units and the people and prevent bad elements in the locality and undisciplined soldiers from engaging in negative activities. Through good education,

everyone thoroughly understands the safe site standards. When hooligans or professional hoodlums steal things or kill someone, forcing soldiers to kill these thugs, it may seem as if the situation is very complex and as if people are stretched along the road for 10 km to stage demonstrations and protest. But that is not the case. They have just come to watch those thugs be punished, and they are very supportive of the troops who have handled the situation correctly and promptly.

3. Along with good education, there must be organizational measures to form a tight system. Soldiers and civilians must enforce things resolutely in order to constantly maintain the "fish and water" relationship between the army and the people.

Regardless of the task, ideological education measures must be tied closely to organizational measures in order to create unity in understanding, thinking, and action. Army-people solidarity does not mean solidarity only in thinking and attitude or in preventing difficulties from arising. What is even more important is that in actual activities, there must always be close coordination in order to fulfill the revolutionary tasks. That is one of the important lessons that the Chien Thang Division has reviewed from the first days of the resistance against the French to the present. This has been concretized. That is, to have a high degree of solidarity and unity between the army and the people, there must be solidarity between the unit committee echelons and commanders and the local committee echelons, authorities, and mass organizations. The leading organizational measures that need to be mentioned are the stipulations on joint activities, work relations, and situation notices between the unit committee echelons and commanders and local committee echelons, authorities, and mass organizations: the division with the provinces and districts, the regiments with the districts and villages, and the battalions and companies with the villages and hamlets. At the same time, activities between unit youths and local youths must be scheduled. During activities, the two sides must notify each other of the situation and make decisions on which tasks the units and localities must carry out, the general subjects that must be taught to the soldiers and people, and the requirements of the localities with respect to the units and the requirements of the units with respect to the localities. They must carry on criticism and self-criticism, make observations, evaluate the things that have occurred, and look for ways to handle things. Once something unexpected has happened, there must be an extraordinary joint meeting between the division and the district, village, or hamlet committee echelon and authorities where the event took place in order to promptly discuss ways to resolve the matter.

Maintaining security and national defense in the localities is one of the basic requirements and a manifestation of close army-people solidarity in peacetime conditions. In order to fulfill this requirement, it is essential to educate the troops and people about the task of defending the fatherland and elevate their spirit of vigilance. But that is not enough to transform that into

actual activities. The Chien Thang Division has coordinated things with the localities in building provincial and district defense zones, building combat villages, formulating on-the-spot combat plans in various situations, particularly plans to oppose the destructive activities of the enemy and activities aimed at stirring up trouble and causing disorder and plans to maintain social order and political security in the localities. The guard forces of the army, militia and self-defense forces, army defense organizations, and public security organizations have divided the work and shared responsibility for patrolling and guarding the key zones, warehouses, agencies, and government offices, monitored the bad elements, hooligans, and hoodlums with police records, and formulated plans to coordinate preventing and fighting fires and controlling floods and typhoons. Whenever enemy psychological warfare activities have been discovered, the unit defense organizations and public security organizations have immediately looked for the sources and put forth contents and measures to spread propaganda among and educate the people and troops.

Economic development is a very important task today. In this sphere, to achieve the greatest results, there must be army-people solidarity. To do this, based on educating the troops and people about the economic renovation lines, positions, and policies of the party and state, there must be a plan to coordinate the actions of the units and localities. This must describe the responsibilities of the troops in helping the localities and the responsibilities of the localities in helping the troops. Things cannot be carried on in an arbitrary manner, with people satisfied with whatever happens. In planting crops and trees, digging ditches, building dikes and public projects, building up the infrastructure for the production of the localities, zoning land for the troops to produce things, and so on, matters must be discussed and unified plans must be formulated concerning scope, time periods, means, and methods.

The units and localities must coordinate even cultural and arts and letters activities and share the tasks and responsibilities. Unless this is done, not only will these activities fail to exert a positive influence in improving people's spiritual lives but they could also have a negative effect and even destroy solidarity, particularly among the youths.

Whenever something negative happens in a locality or at a unit, there must be close coordination between the unit and locality in order to handle the matter correctly and promptly. This coordination must be based on a lofty concept of responsibility and tight and specific organizational measures. For example, when a military unit lost a number of weapons, the army defense organization and the public security forces helped investigate the suspicious targets and sent forces to pursue and arrest the culprits. As a result, almost all of the weapons were recovered. Because of having close coordination between the units and localities and managing the site closely, in the zone where its forces are stationed, the Chien Thang Division has, together with the localities, virtually built

safe locations. Altogether, 97.5 percent of the units are safe units, and of these, 63.2 percent are absolutely safe units.

Solidarity, bravery, and victory are the wonderful traditions of the division commended by President Ho when he visited the division. Manifesting this tradition, during the war for liberation and in the present stage to defend our socialist Vietnamese fatherland, regardless of the tasks assigned and regardless of whether it is fighting on a battlefield in Vietnam or fulfilling its glorious international obligation abroad, the division has constantly adhered to the wonderful tradition of the army and people [being like] "fish and water."

### Issues on Training New Soldiers

912E0130B Hanoi QUAN DOI NHAN DAN  
in Vietnamese 30 Jan 91 p 2

[Exchange of Ideas column by Nguyen Nghia: "Should We Train New Soldiers in Centers or in Units?"]

[Text] The training of new soldiers plays a very important role. But in recent years, because of changes in the task, staff, organization, and strength of a number of units, many training centers that had been training new soldiers were closed. In many units the way things were done were different. To organize training of new soldiers thus encountered many difficulties.

A recent survey made by some active organs of the General Staff in a number of units showed that there now exist two kinds of different ideas about the contents and organization of training of new soldiers. According to one idea, the training of new soldiers must be basic and steady right from the beginning and last from four to five weeks so as to actually turn youths into soldiers, who will be able to assimilate in their detachment and to join in its training right away. Many units assert that the training time should be three months to ensure that new soldiers have some basic military knowledge; know the combat action individuals take in offensive and defensive maneuvers; know how to use and maintain weapons and equipment assigned to them; be aware of organization, discipline, and correct responses to orders in terms of personal conduct and greetings; and thoroughly understand the responsibilities of military personnel, the task of the army, and the obligation to strongly defend the socialist Vietnamese fatherland, to love and respect the people, to be in good health, and so on. But some other units believe that training time should be only one to two months; specifically units in the three branches of service suggest that only two months be devoted to infantry and the rest of the time to training in the assigned service.

As to organizing training, there currently are different ways to do things. In some localities, the regiments and divisions that serve as the framework of training are organized into training centers. Some people suggest that those units that get supplementary troops will organize their own training. In Group 915, the frameworks of new

soldiers' training of Military Region 5 and Group 31 of Tay Nguyen Corps [Binh doan] share the same idea that has been suggested, namely, training centers for new soldiers should be organized and put under the management of both the military region and corps because of many advantages arising from unified leadership, management of contents and program of training, and control of training quality. In addition, conditions are favorable for building a body of highly specialized cadres having good experience in training new soldiers. Investment is made in building the material base and focused on building barracks, stadiums, and training grounds. Recruiting requires better experience, which ensures quality and lower cost.

However, there are units like Infantry Group 2 of Military Region 5 that do not want to accept soldiers from training centers but want to train soldiers by themselves. Their commanders had this to say: "The quality of training in units is better because they know their own men and believe that if training is good, their men will be good. The responsibilities of cadres are greater; soldiers also recognize their own responsibilities for learning and voluntarily respecting discipline, and are aware that they have a closer attachment to their unit."

As we talked to people to try to understand the matter, we found that unit commanders mostly worried about the fact that the quality of new soldiers being distributed to units usually is poor; it is thus very difficult for units to have a good source of recruitment, and so on. As we can see, there certainly are advantages and specific weaknesses in the two current ways of organizing new soldiers' training. Organizing training in centers facilitates many aspects of investment but is difficult in terms of organizing staff and large strength (Group 915 has a framework of 500 people and trains 2,000 soldiers per year). There are two training sessions (which used to last eight months, but now only four months) in a year, so what do they do in the remaining months? But if training is not organized in centers and takes place in units instead, as it has happened lately, it becomes too scattered and divided (in 1989, in some military region there were as many as 20 locations for training of new soldiers); there is no control over the contents and program of training; and training varies from location to location, with quality remaining poor and uniformity lacking. The need that is being mentioned is to urgently study renovating the training of new soldiers, in terms of organization, methods, and contents of training program, to make it suitable for the organization of staff and the army's tasks in the new situation.

After we conducted an actual survey in a number of units and consulted with participants at the recent conference on training, we can now set forth the following preliminary general guidelines for training of new soldiers so as to allow units and cadres in charge of training to exchange ideas about it:

*Needs:* At the end of the training period, we should make sure that new soldiers:

- In regard to political education, feel reassured and resist the temptation to desert; understand and know the function and task of military personnel.
- In regard to tactics, know a number of basic moves that soldiers make in combat, offensive, and defensive action.
- Technical matters: Know how to use and maintain the assigned weapons, and shoot real bullets as in lesson 1.
- Regulations: Know the correct ways to eat, to dress, to walk, to stand, to salute, to handle personal things, to observe order and discipline of military personnel.
- Physical strength: Know the morning physical exercise lessons and a number of afternoon sport activities for the purpose of improving the strength of their body.

*Training time:* Two months. New soldiers of the branches of service are to be trained as fully as infantry soldiers are (in accordance with a uniform two-month program). Later training in the assigned service will be performed.

*Contents:* Training must concentrate on the essential items that are needed by soldiers, mainly the ones that individuals, upon returning to their detachment, will not have a chance to be trained again in, such as shooting lesson 1, tactics for individual moves, and so on.

*Organization of training:* Training should be performed mainly in units. We can organize battalions to train new soldiers from the infantry division level, and companies from regiments and brigades in the three branches, and thus avoid using the frameworks to perform the task of training new soldiers.

#### National Defense Education for Students

912E0136C Hanoi TAP CHI QUOC PHONG TOAN  
DAN in Vietnamese Dec 90 pp 78-83

[Article by Major General Le Thanh]

[Text] The world situation is undergoing very complex changes. On one hand, tensions have relaxed, and there has been a shift from solving disputes by military means to solving conflicts using political means, negotiations, and peaceful struggle. On the other hand, the arms race has not been halted, and the danger of a multi-faceted war started by the imperialists and the international reactionaries continues to smolder, with this sometimes flaring up here and there. Socialism is in a crisis, and it is being attacked by imperialism and opportunism, which are using the weapons of "pluralism and multi-party systems," coups, and peaceful changes.

The situation in Indochina and the surrounding area is also developing in this environment. After many years of war, our country is now at peace, but "this peace is not

stable or complete. Hot embers continue to smolder, and these could lead to local armed conflicts or war. This stems from the fact that the enemy has not abandoned its black plots with respect to the Vietnamese revolution or the revolution of the three Indochina countries."<sup>1</sup>

Building up the country along with protecting the country is a law of survival and development of our nation. As long as there are imperialists and international reactionaries and as long as there is the possibility of war, national defense will never be ignored or slighted by our people. Along with revising the strategy and gradually reducing the number of soldiers on active duty to the minimum level necessary to carry out the defense tasks and maintain security in the country, we must improve the quality and increase the size of the mobilized reserve forces in particular and of the reserve army in general. We must be ready to restore and expand the regular armed forces whenever the situation demands. Educating youths in general and students in particular about national defense is a task of strategic importance.

Because the situation has changed and continues to change, national defense education cannot be carried on in the old way. Our country still faces the threat of a major war of aggression, although this is not a direct threat in the next few years. Today, national defense education should not be aimed at training soldiers to reinforce the regular army but at contributing to strengthening our national defense potential in general and military potential in particular for a people's war to defend the fatherland, which could break out in the future. The main targets of national defense education are not youths who have or who will soon reach military draft age. Rather, the targets are young children and youths. The educational contents and formulas must be richer and more varied. They must be in accord with the psycho-physiological conditions and daily environment of each age group in conditions in which the country is at peace and the economy and society are gradually being stabilized and developed on the path of socialism.

Instilling a sense of patriotism, revolutionary vigilance, and readiness to defend the fatherland must be regarded as the leading themes in national defense education for students. The reason for teaching patriotism in defending the fatherland is to help youths:

To treasure the revolutionary achievements and wonderful traditions for which previous generations have shed their blood so that they understand that their responsibility is to protect those achievements and to continue and exploit those traditions.

To clearly affirm that the path to a bright and happy future as chosen by the Party and President Ho, that is, building scientific socialism, is the only correct path in order to follow the path steadfastly, resolutely defend the lines and ideals of the party, and build socialism. They must prepare themselves so that they can participate in

solidifying national defense and security and be ready to fulfill their military obligation to defend our socialist Vietnamese fatherland.

In order to satisfy these requirements, the teaching of patriotism in defending the fatherland must be carried on regularly and systematically using a variety of methods and activities and from many directions, that is, the family, the schools, and society. In the past, students were taught about patriotism using a number of political and military lessons that were part of the general military curriculum (grades 1 and 2). Today, This must be carried on using a variety of activities both in and outside school in accord with the age of the children. In class, the contents of patriotism in defending the fatherland must be integrated with the contents of the intellectual, moral, physical, and aesthetics courses. Out of class, activities such as excursions and guided tours must be expanded, and forms of activities that are fun and relaxing, that will reinforce the general knowledge already learned, and that have educational significance must be expanded.

Military training is an important element of national defense education for students. Military training contributes directly to building up the military potential of national defense and preparing for a people's war to defend the fatherland. This readies quality "lead-ins" for the regular armed forces.

Previously, when we were at war, we carried on military training for students at general and vocational middle schools, high-level schools, and colleges. The requirement of military training at that time was to "shorten the time needed to train recruits and ensure that more and more youths were prepared for combat right after being drafted."<sup>2</sup> The contents of the training curriculum concentrated on "disseminating general military knowledge and teaching military deportment and basic capabilities to the new recruits"<sup>3</sup> and "satisfying the requirements concerning knowledge and basic capabilities of the NCO curriculum."<sup>4</sup>

Today, the situation has changed and so the military training given to students must change too. Above all, there must be a correct understanding of military concepts. Military affairs are not just combat actions by soldiers, and military training is not just a matter of teaching people to crawl, roll, use a bayonet, fire a rifle, throw a grenade, launch an assault, and so on. Military affairs must be understood in a broad sense. That is, this is a sphere of social life that includes problems related to national defense, armed forces in peacetime and wartime, forms of armed struggle, people's warfare to defend the fatherland, and peacetime preparations to enable the people, the economy, and the country to be ready for a war. Based on this, the contents of the military training will be very rich instead of being limited to the training of soldiers.

The contents of the military training program for students must be renovated:

1. Military training for general students does not need to provide these students with the basic knowledge and capabilities of new recruits. This training should concentrate on satisfying the following requirements:

a. Teaching "deportment and a disciplined, orderly, and cultured way of life."<sup>5</sup> This is both an urgent and long-term requirement of both social and military significance.

b. Preparing the "conditions so that youths can quickly become accustomed to military life and activities when they are drafted."<sup>6</sup> Military life is a collective life, and military activities are based on orders. This requirement has not only military significance but also social significance.

These two requirements are closely related to each other. If the military training program for general students satisfies these two requirements, this will "contribute to reforming education in the schools."<sup>7</sup> This will also create sources of high quality manpower for the armed forces, and this will be in accord with our country's multi-faceted situation in the coming years.

The contents of the military training program for general students (levels I, II, and III) must be revised. The general outline can be as follows:

For Level-I general students (grades one to five), the military training contents must be unified with the contents of teaching patriotism in defending the fatherland and with the implementation of the five points taught by President Ho.

For Level-II general students (grades six to nine), the contents of the military training program must be tied to teaching students to obey the rules of the class and school, to observing proper behavior for members of the Vanguard Teenagers Unit, and to teaching patriotism using various forms of activities outside the class such as field trips and military games (applying general knowledge to military activities such as calculating map ratios, drawing diagrams, finding directions, estimating distances, calculating the height of an object, measuring the width of a river, and so on).

As for general middle students and vocational students the same age as general middle students, the contents of the military training program must tie the regulations of the army to the regulations of the classes and schools. The students must be taught to control and command each other to implement the regulations and create a sense of organization and discipline. At the same time, they must become familiar with the army's regulations. The military curriculum must introduce the students to military signals, military ranks, the insignias of the various services and branches, decorations and medals reserved for the army, and the primary function and role of the branches of service in joint combat (with the aim of orienting them to the military profession). The program must also introduce them to a number of weapons and techniques and theories on defending against and

opposing the various types of weapons and techniques used by the enemy. National defense technology clubs should be expanded, and general middle school students should be attracted to participate in extracurricular activities to familiarize them with military techniques.

2. As for military training for students at or over military draft age (after general middle school), the requirement should not be "providing them with the knowledge and basic capabilities of the NCO program."<sup>8</sup> Of the students who graduate from vocational middle schools, high-level schools, and colleges, only a few can be recruited into the military. The majority will become scientific and technical cadres, managers, and specialists in various sectors in the multi-faceted national economy and at various echelons in the state management apparatus. The rational and practical requirement that the military training program must satisfy is: Continue to instill in them a concept of organization and discipline and equip them with the knowledge and military thinking needed to build and develop the economy (culture and society) in order to coordinate the economy with national defense in the specific work spheres for which they are responsible.

The military training program can consist of two parts:

First, military orders must be "turned into regulations" and "school-ized" in accord with the activity environment of each school. At the same time, a sense of organization and discipline, scientific nature, and a sense of accuracy must be taught.

Second, military knowledge must be tied to occupational knowledge. This part must be divided into two training stages corresponding to the primary and specialist stages of each school. The contents of the first stage will help students comprehend the basic and special traits of a people's war to defend the fatherland if war should break out and help them form a concept of coordinating the economy with national defense and building a strong all-people's national defense. The following can be included in the Stage 1 contents:

The military theories and capabilities of a number of countries that could be the targets of Vietnam's national defense.

The nature and special characteristics of a people's war to defend our socialist Vietnamese fatherland if war should break out (studies on the nature and special characteristics of war, on the strengths and might of other sides, on the form of war resulting from the strengths and powers of the two sides, and on a number of problems concerning military arts).

The construction of a strong all-people's national defense and all-round preparations in order to be victorious in war.

The coordination of the economy with national defense, and the construction of a stronger and stronger all-people's national defense.



The contents of Stage 2 (the professional stage) must give the students a concept and knowledge about coordinating the economy with national defense in the profession for which they have been trained. The following are part of these contents:

The influence of the various types of weapons and means of war that the enemy may use against Vietnam with respect to the sector (for which they have been trained).

The organizational and disciplinary means that must be used in each sector in order to limit the effects of the enemy's weapons and means of war, defend and maintain the operations of the sector in war, and mobilize the capabilities of the sector to contribute to defeating the enemy.

Coordinating the economy with national defense in peacetime, preparing the conditions and capabilities, and applying the organizational and technical measures already selected in order to protect and maintain the operations of the sector in wartime and to exploit the sector's capabilities to support national defense.

Health education and physical training are necessary elements of national defense education. War is a great and all-round test for all of society and each person. Besides will power, people must be healthy if they are to pass this test. Good health is even more necessary for soldiers so that they can complete the tasks in modern warfare.

National defense education requires that health education and physical training for students:

Familiarize students with sanitation and disease prevention and control. This is a civilized way of life and a measure to prevent common epidemics and defend against the biological weapons of the enemy.

Build the strength and quickness of soldiers in combat activities. In order to hit this target, physical education is usually tied to military activities. This is often referred to as national defense physical education or applied military physical education. This means giving attention to developing physical education courses that are related to military activities and that can be used in military operations, such as shooting, swimming, diving, long-distance races, wrestling, and so on, and turning a number of military activities into sports events such as hand-to-hand fighting, joint military exercises, and so on.

Sports clubs should be established at each school in order to get students to participate in extracurricular sports activities.

National defense education for youths in general and students in particular is a necessary part of preparing people to build and defend our socialist fatherland. This is the responsibility of all of society under the leadership of the Communist Party of Vietnam. This is correct, but it must be stressed and clearly stated that this is above all the responsibility of the state management sectors. This

includes the Ministry of Education, the Ministry of National Defense, and the Ministry of Culture, Information, Sports, and Travel. Besides this, mass political and social organizations such as the Ho Chi Minh Communist Youth Union, the Vietnam Women's Union, and the Vietnam Veterans' Association have contributed greatly to national defense education for youths. Each sector and mass organization has methods and forms in accord with its functions, tasks, and capabilities and has a multi-directional effect in order to satisfy the general requirements of national defense education. Naturally, there must be coordination between these sectors and mass organizations.

To ensure that national defense education progresses, national defense education for students during past years must be reviewed. The main reasons for the slowness must be sought, and ways must be found to solve the problems. Based on this, the state organizations with jurisdiction should issue legal documents, which must be implemented by the sectors and echelons. At the very least, these documents must determine the minimum conditions to ensure that national defense education is really an official course at the schools. They must stipulate the control organizations and mechanisms to coordinate things between the sectors and mass organizations.

#### Footnotes

1. Nguyen Van Linh, "Solidify Peace, Heighten Vigilance, and Manifest Integrated Strength in Order To Defend the Fatherland," QUOC PHONG TOAN DAN, December 1989, page 4.
2. Directive 107-CT/TU of 21 April 1981 on Strengthening All-People's National Defense Education.
3. General Military Training Curriculum, promulgated 1983.
4. Ibid.
5. Directive 107-CT/TU of 21 April 1981 on Strengthening All-People's National Defense Education.
6. Ibid.
7. Ibid.
8. General Military Training Program promulgated in 1983.

**Article Stresses Importance of Industrial Forces**  
912E0136A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 90 pp 28-31

[Article by Captain Doan Hung Minh, MA]

[Excerpts] It must be affirmed that the targets of the "arms race" are very remote from the immediate and long-term interests of our country. But the policy of strengthening the national defense industry and looking



for ways to provide enough weapons and military equipment to defend the fatherland is an essential and common policy of every independent and sovereign nation.

In wartime, the great military help and aid provided by the fraternal countries is one of the important factors that enabled us to win final victory. But here, something "unusual" has appeared: the large quantities and ultra-modern standards of the imported weapons far surpass the level of development of our domestic industry and the financial and accumulation capabilities of the Vietnamese national economy. This has led to a situation in which attention is focused more on exploiting and using our existing foreign weapons rather than on striving to do research and produce weapons in order to satisfy our military needs ourselves, which we could do and which would be cheaper. Although our national defense industry satisfied a large percentage of our needs during the war for liberation, as compared with today's requirements for defending the fatherland, it is far from being able to satisfy the needs.

Today, the world political, economic, and military situation has undergone many changes. Many countries have adjusted their military and international cooperation formulas. As for Vietnam, a number of fraternal socialist countries will not be able to provide as much military support and aid as in the past, and if a war should break out (which is something that we fervently hope won't happen), the enemy will certainly look for a way to isolate us and prevent us from receiving supplies from the outside. Thus, in peacetime, we must ready production installations and various sources of reserves to support a war. In this, particular attention must be given to producing and stockpiling arms and ammunition.

Our country is poor and should avoid trying to make "hot" preparations for a war. That refers to accumulating a large amount of weapons, ammunition, and military equipment in the armories in order to sustain combat for an extended period. But after many decades, many countries have realized the great waste of the huge warehouses, which are filled with outmoded weapons and means of war. Maintaining and restoring outmoded weapons (particularly ammunition) is very complex and expensive. In accumulating large quantities, countries have had to reduce essential investments in new technology and the manufacture of superior military products. Thus, along with the "hot" reserves plan, many countries have actively used an indirect and economical but still trustworthy reserve formula—reserves through industrial mobilization power. [passage omitted]

The concept of industrial mobilization reserves here concerns participating in providing weapons and equipment for the armed forces by civilian factories and enterprises in order to make a distinction between industrial mobilization and other economic mobilization measures for war. For example, a number of "bisexual" industrial products such as means of transportation, medicines, medical instruments, rear services, and so on

do not have to be placed in the mobilization power reserves. In peacetime, they are produced continuously and there are already sufficient reserves in the civilian economy. If war should break out, these will be mobilized and put into use in the armed forces.

The industrial mobilization reserve capacity is built in peacetime at the industrial installations of the provinces, cities, and central echelon and is manifested in the economic and social development plans and national defense plans of the country. These are an inseparable part of the national economy, but they must also be ready to switch to producing weapons when mobilized or when war breaks out. Thus, the machinery, equipment, industrial chains, materials, and raw materials of the factories and enterprises of the national economy that participate in preparing for industrial mobilization will not lose use value, rotational capabilities, or economic, production, or commercial capabilities, and they will not be requisitioned separately. Actually, this is also an element of the assets used by the factories participating in industrial mobilization reserves.

Another concept is that industrial mobilization reserve power is not created in order to satisfy regular or unexpected loss needs with respect to the weapons and military equipment of the armed forces during peacetime (this is the task of the national defense industry). Its main target is to promptly satisfy combat needs during the initial and subsequent stages of war when the "hot" reserves and maximum power of the defense industry cannot provide sufficient weapons, ammunition, and equipment for the armed forces. In peacetime, the tasks of industrial mobilization are to carry on such activities as technical maintenance, skills training, test manufacturing of models, production rehearsals, and so on with very limited quantities of products, that is, with just enough to examine the capabilities and readiness for switching to a wartime footing.

The question for the defense industry is how to supply sufficient weapons, ammunition, and military equipment to the armed forces to defend the fatherland. An important answer is that along with the fact that the national economy has permitted sufficient amounts to be reserved and allowed the defense industry to gradually expand, industrial mobilization reserve chains must be quickly organized and preparations must be made for mobilizing industry.

The fact that the industrial mobilization reserve installations have the ability to hit the "quantitative" targets will permit the defense industry to reorganize its structure in order to concentrate on hitting the "qualitative" targets and maintaining its vanguard role and role as the spearhead in military industry. In many cases, if the civilian industrial targets having suitable material and technical conditions (similar technology, sufficient plants and an adequate infrastructure, and highly skilled technical ranks) are selected, all we will have to do is provide an additional number of implements and pieces of technical equipment in order to form a national

defense industrial chain. This will be much cheaper than building new defense plants or adding new production chains at the national defense factories having a totally different technical structure. Furthermore, if, right from the start, the plans consider the capabilities for coordinating the economic and national defense tasks, the industrial mobilization reserve installations will prove effective in maintaining the market and commodity mechanism in peacetime, and if capital must be spent for national defense tasks, it won't be necessary to spend much money just as when capital was invested in order to have the national defense plants switch to performing economic tasks.

In the investment sphere, the defense industry is balanced within the framework of the central budget set aside for national defense, but the industrial mobilization reserve installations can strive to obtain investment capital from a greater variety of sources. Besides the support funds of the central echelon, these factories and enterprises receive notable amounts of investment funds from local budget funds reserved for national defense.

The preparations for mobilizing industry will gradually balance the strategic arrangement of Vietnam's defense industry potential. Today, because of special historical characteristics, a number of national defense plants are being built in locations unsuited to the strategic plan for defending the fatherland, and consideration has not been given to other national defense and civilian interests. We cannot immediately move these plans to the desired locations. Thus, the industrial mobilization reserve installations (factories and enterprises) located in strategic industrial areas and key defense zones will create a new balance in the defense industry structure.

Industrial mobilization preparation is also a development in the view that national defense is the work of all the people. Previously, because the building of the defense industry was restricted, there was an abnormal separation between the defense industry and civilian industries. In particular, limiting investment sources for the defense industry in the national budget prevented this industry from growing and becoming an economic sector. Industrial mobilization preparation is a measure for "opening the door" for the defense industry so that this industry can always tie its targets to the country's economic development tasks and so that the national economy can participate more directly in building up the defense industry.

It must also be said that the defense industry is dependent on the economic potential and on the development of industry, science, and technology. As the country's economy develops, the defense industry will reach new heights. But mobilizing industry for national defense tasks will be the strong foundation and help the defense industry move forward more quickly in carrying out its responsibilities in defending the fatherland.

### Achievements of Economic Units

912E0130C Hanoi QUAN DOI NHAN DAN  
in Vietnamese 1 Feb 91 p 3

[Article by Le Hoe: "Movement of Army Force Assigned Economy-Building Task"]

[Text] We have entered 1991. Only by relying on the achievements made in recent years can we recognize the great capabilities of our army on the economic front. In addition to doing capital construction and communications-transportation work, the army units that took part in economic building were productive in agriculture, forestry, and fishery, and made consumer goods, goods for export, and rear-service goods to serve our cadres and soldiers. More outstanding were their participation in building the Hoa Binh hydroelectric power plant, the D'ray H'linh, Vinh Son, hydroelectric power plant, and the Quan Trieu-Nui Hong railroad line; opening and building the rubber, coffee, and tea industrial crop-growing areas in the Central Highlands and Dong Nai Province; and building the specialized rice-growing areas in Long An and Dong Thap Provinces, and the Nam Can shrimp-raising area, the latter solely for export. The national-defense industrial installations that produced economic commodities made progress in raising product quality and improving designs and packaging, set the right prices, and were thus accepted by the market. The scientific-technical force in the army achieved initial accomplishments in electronics, computer science, and biology. More impressive was the fact that dozens of corporations and general corporations were established on the basis of the divisions and corps [binh doan] that were specialized in doing economic work. In terms of both organization and management based on economic accounting and scope of production-business, this force earned good profits and made considerable contributions to the state budget. Consequently, this probably was considered the most typical movement of the army force that took part in economic building.

The growth of these corporations and general corporations was a process of streamlining their formation, pursuing quality, and rationalizing organization and staff to conform to economic activities. That was the reason why in some localities the number of soldiers was reduced by one-third, the number of organs by dozens or more, and the number of organ staff members by hundreds and several hundreds.

What we should mention was the fact that these corporations and general corporations were not satisfied with mechanically putting together individual liaison bases, but they instead had been trying to create for themselves an overall strength capable of integrating all of these liaison bases to make a bigger whole. If they had ceased to do that, it would have been a very bad thing. Although the matter was easily and quickly done unanimously, in reality it was far from easy and smooth. Because of a lack of capital and jobs, the phenomena of old units carrying out old programs in the name of new organizations

became quite common. Eventually, each program of action did bring about specific results, but it was unsuitable for new organization, task, and work method. Therefore, the above-mentioned phenomena were gradually eliminated so as to allow obtaining new results.

These corporations and general corporations also gradually became stable in regard to the direction they took in production and business. Each liaison base was stationed and operated in a specified location, with definite tasks, advantages, and difficulties, as well as with definite strengths and limits regarding space, time, resources, and the country's infrastructure. Therefore, to take the correct production-business direction in order to further develop its strong position was the first challenge of every unit. It was thus difficult for units to avoid the initial confusion; some of them, because of a lack of a full self-evaluation, got confused and passive and did not work effectively; others, by wrongly believing that they could easily and quickly make big profits, tried to reach too far and led themselves to regrettable troubles. We can mention here a case of initial success for the sake of exchanging ideas. That was Construction Corporation 470 in the Central Highlands, which was established from Division 470. After less than two years of operating on the basis of totally independent economic organization and accounting, the unit so far developed itself into a liaison base for general production and business and completed many key construction projects, particularly the D'ray H'linh hydroelectric power project, the largest of its kind in the Central Highlands, which made many localities trust and invite it to do work for them. In 1990, the corporation had a business value 2.5 times greater than that obtained prior to adopting total economic accounting. As to per capita income, it made an average of 95,000 dong per month.

However, the matter that is considered the biggest and most inclusive for corporations and general corporations has been and is being economic accounting. How to apply economic accounting in the true sense of the term to all activities of each and every liaison base? How to keep accounting serious and true while still being capable of paying off debts, balancing receipts and expenses, making increasing profits, improving the standard of living, and making considerable contributions to the state budget? The answers to these questions cover a large field that includes economic and social knowledge, sensitivity to news events and the market, familiarity with one's function, and dynamic behavior in regard to one's work. For everything ranging from carrying out army regulations to implementing the state's economic laws and procedures, from ensuring product quality to fighting speculation, smuggling, wasting of gasoline, oil, materials, and so on, we cannot go beyond the orbit prescribed by the state and Ministry of National Defense. The question is to depend not only on outstanding organizing capabilities but first of all on a sense of self-support and self-reliance and the correct concept of the cadres who head each corporation and general

corporation. To overcome this challenge is for each and every liaison base to assert its necessary existence and development.

### Improvement in Supply Noted

912E0131C Hanoi QUAN DOI NHAN DAN  
in Vietnamese 11 Feb 91 p 2

[Article by Quan Thuy: "Preparing for Our Troops' Tet Celebrations by New Ensuring Formula—Realistic, Economical, Better-Quality"]

[Text] In 1990 the logistics sector in the army totally switched to a new ensuring mechanism (to ensure with money rather than with material resources); that was why this year's Tet preparations for our troops showed many new things, if not totally different from those of previous years. Unit reports and a survey of the War Supplies Department (Rear Service General Department) on the Tet preparations for our troops, showed that, in the country's difficult situation today, almost all units were striving to make careful Tet preparations in the spirit of being realistic and economical in favor of our troops. Cadres and soldiers were feeling encouraged, despite the fact that the Tet standards were far from high. Cadres of the War Supplies Department let the following be known: In past years, although its staff had been larger than it was this year, whenever Tet approached the entire organ became extremely busy and sometimes was in a turmoil. Warehouses were brimmed with Tet supplies; vehicles from units stood in long lines to wait for being loaded with supplies. As some units did not have enough vehicles, they had to get vehicles from the department and transportation units, and sometimes had to charter trains to transport the supplies, and yet for some units that were far away and had to travel difficult roads, the Tet supplies did not arrive in time. In order to have such a large volume of goods, which included glutinous rice, mung bean, tea, cigarettes, candies and cakes, preserved fruits, liquor, sugar, and sometimes also toothpaste, soap, matches, towels, and so on, the army supplies sector had to start preparations early during the year and in the storing process was unable to avoid losses of goods and decrease of quality. Although control work to ensure the quality of Tet supplies was very strict and meticulous, the rate of losses, damages, and breakages that occurred during their transportation, distribution, and delivery was quite high, and there were more than a few cases of our soldiers feeling "sorry" for having to get Tet supplies of inferior quality.

This year all units were very active and had early plans for making good preparations. All units succeeded in getting the full regulation quantities of glutinous rice for the troops on Line 1 and Line 2. In addition, with money supplied by their superior authorities and their own funds, almost all units paid an extra month of pay (to salaried personnel) and 10,000-20,000 dong/person to noncommissioned officers and soldiers, and at the same time spent an extra 5,000-10,000 dong/person for meals during the Tet holidays. Units in Military Region 1

assured their men that they would get in average a kilogram of glutinous rice, .1-.15 kilogram of mung bean, and a kilogram of assorted meats each. Some units gave to their noncommissioned officers and soldiers in average additional sums of 30,000 dong/person. Military Region 2 provided, in addition to glutinous rice, mung bean, and pork, .1 kilogram of candies and cakes per person. Units in Military Region 3 raised the Tet standards higher in favor of their troops because they were stationed under more favorable conditions and at the same time had had highly successful production, animal-raising, and economic activities during the year. This year's Tet preparations were mainly done by the units themselves, but almost all military regions, corps [quan doan], and branches of service paid special attention to the units that were stationed in remote areas, where roads were difficult to travel and goods were scarce. Military Region 3 sent early instructions to the units that were stationed in Quang Ninh Province to tell them that if they had any difficulties in making Tet preparations for getting supplies due to shortages and transportation problems, the military region would buy such supplies and send them directly to these units. Although the War Supplies Department has switched to the new ensuring-with-money mechanism, it still had plans for readily providing those units which encountered difficulties with Tet supplies, or referring them to the closest sources of goods where they could buy the supplies themselves. The Truong Sa troops this year have received early Tet supplies and gifts because of careful advance preparations for sources of goods and transportation. Toward the end of January 1991, the last Tet supplies-carrying ships arrived at the islands under unfavorable weather conditions of high waves and strong winds. However, according to the news that we received, in the first days of February 1991, all of the Tet supplies and gifts, whole and in good quality, were distributed to soldiers on each and every island. The Tet supplies brought to the islands showed that they had resulted from more careful calculations aimed at satisfying the wishes of the troops there, avoiding waste and damages, and ensuring the quantities that had been officially set.

To ensure providing troops with Tet supplies in accordance with the new formula has brought about obvious results: reducing transportation cost, reducing damages and losses in each step. All units have been actively and on their own initiative preparing for the Tet; the Tet supplies delivered to our troops have been better in terms of quality and prices appropriate for each locality. Thanks to their efforts to increase production, animal raising, and economic activities, almost all units have been able to spend more or to provide additional material resources for the Tet standards or meals during the Tet in favor of their troops. First we have the entire artillery branch which had 236 hogs, 210 cattle, more than 6 tons of glutinous rice. For the Tet this year, the local troops in Cao Bang had an additional source of income to spend to raise their Tet standards thanks to their active on-the-spot production and animal raising. Some units also set aside appropriate sums of money to

send Tet gifts, along with new-year greeting cards signed by their heads, to the families of cadres and soldiers. This act would have considerable effects on morale, particularly for those soldiers who did not go home to celebrate Tet with their families. Almost all units have made careful preparations for the troops who would remain on duty and fulfill the combat readiness task during the Tet. In addition to the standards set by superior authorities and their own units, the cadres and soldiers who would celebrate Tet in their units have received additional pay, cakes and candies, tea, and cigarettes for their own consumption and for guests during the Tet.

The strengths gained in adopting the new formula for ensuring Tet supplies for our troops are something we should be happy about. Although the fact that units take care of themselves is principal, importance still must be attached to the leadership and control of commanders and logistics organs. Control is needed to evaluate the true nature of Tet standards and the value of the formula adopted to ensure Tet supplies in favor of our troops (this is closely related to the units' combat-readiness capabilities during the Tet), to prevent corruption and waste, and to avoid excessive differences in Tet standards among units (in the same larger units), which could have resulted from careless spending by cadres or from using this fund or that fund, and even the units' production expenditures or capital, to finance the Tet celebrations.

#### **Officers Struggling To Make Ends Meet**

912E0130A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 23 Jan 91 p 3

[Article by Thu Giang: "Rear Area—Nightmarish Worries of Officers"]

[Text] I would like to begin by mentioning the meeting and conversation I had with the officers now on active duty in Infantry Group B25. This sounds unbelievable but it is true: The group organized two transportation lines to allow officers to go home and visit with their families, but because very few of them wanted to use the transportation service, it was later suspended. Once a trip to the seaside resort of Do Son was organized for officers to take part, but it was also canceled because the number of participants could be counted on one's fingertips. Did it mean that officers had no desire to go home to see their wives and children? I remember that several years ago it was our officers who had often complained that they could seldom go home to visit with their families; at that time there were no regular transportation lines available, and those who were granted furlough would go home by "jumping aboard nonarmy vehicles." Now with regular lines organized by army units and offering very affordable fares, which were very "soft" compared to outside fares because they would cover only gasoline and minor repairs, why only a few people wanted to travel? Political Director Pham Quang Tach confided to us: "The officers in the unit who have

a family of their own account for more than 90 percent; the wives and children of these officers live in rural areas on farms; they are heads of their households and all want to go home to see their wives and children, particularly during the Tet, or traditional national new-year celebrations. But in the last few years, in spite of their annual furloughs and the transportation lines, they did not want to go home; the main reason was that they did not have money to bring home to their families. Officers of lieutenant rank would have just enough money to feed themselves; officers of colonel rank could save at most a few tens of thousands of dong per month if they were good at managing their money. Each time they go home they at least have to buy some gifts and a few pieces of clothing for their old mothers and young children. The money they saved for the entire year would be gone. In the case of many officers, although life in the rear area is extremely difficult, they do not have money to bring to their families; therefore, they feel they are compelled not to take any furlough. For some others who went home to visit with their families, when they left to go back to their units, their wives had to borrow some money or to sell some paddy to get money and to give it to them. Vietnamese women who love their husbands and sons know that borrowing money or selling paddy will mean more hardships for the families at home, but they still go ahead and do so in order to make them feel reassured while doing their work away from home. This way the burdens fall onto the wives' shoulders."

As I got in touch with officers in Detachments 1 and 2 (Unit 101), I found that they were enthusiastic and zealous, and that many company and battalion cadres had received awards and commendations. As I sat with them and drank tea and smoked the local tobacco, I listened to the stories of their lives and came to realize some of the nightmarish worries they had about the rear area and their families. They did not worry only about the life that their families lived today, but they also wondered what would be their life after their return to the native place. The officers whom I talked to all were still young, had received basic training and gone through many challenges, and have spent 10-18 years in the army. Although they had worries about going back to the rear area, they did not want to leave the army to which they would like to devote all their lives. They have overcome personal difficulties and now live a clean life and maintain the qualities of cadres and party members.

Do Duy Dinh, a battalion deputy commander, confided to us: "I am still single so I do not worry much, but for the three cadres in our battalion, their families in the rear area live an extremely difficult life. In the case of one of them, his house was destroyed in a storm; for another, his wife was sick and did not have enough to eat in the entire year. As the battalion did not have the resources to come to their assistance, we usually had to encourage and console one another, and found in our work a source of joy." Nguyen Hong Thuan, a battalion deputy commander and political officer and a native of Ky Anh (Nghe Tinh Province), had an extremely difficult personal situation: His wife, who had fallen ill repeatedly,

was operated on in the hospital; in the last few years, his wife and children did not have enough grain to feed themselves because of crop losses due to destruction brought about in natural calamities, long periods of drought in some year, and floods in another year; he had to borrow 600,000 dong to provide his wife with medical treatment and his children with grain, and did not dare to think about repairing the house which had been damaged in the storm. With that loan, the fact that he had to pay 12 percent interest each month was a worry that constantly troubled him. He also did not dare to think about taking a furlough because it would mean additional cost for his family. During difficult times, the unit would grant subsidies, but the relief was always temporary. Or in the case of Battalion 3 Deputy Military Commander Nguyen Van Vien, a native of Nong Cong (Thanh Hoa Province) whose wife worked for the Ham Rong Sand and Gravel Enterprise, he recently had to borrow 400,000 dong at the monthly interest rate of 8 percent because the monthly income of 25,000 dong was not enough to feed three small children. Although he knew that borrowing money would bring about hardships, he had no choice because otherwise their life would have been extremely difficult.

The above-mentioned cases in Group B25 are far from uncommon; in fact, the living conditions of officers' families in the rural rear area are now an urgent matter of discussion. As we travel in rural areas, it is easy for us to distinguish the houses of officers now serving in the army from those of families having manpower and money. Or to be more accurate, the economic situation of those families having their men at home always is stable and better, and these families often can build additions to their houses and buy things to use inside for their own comfort. In many localities, proper attention has not yet been paid to implementing the land-parcelling rule 10 in favor of officers' families; in those localities where attention was paid to such a rule, nearby ricefields were given in the land-parcelling process. To produce paddy and sweet potato is far from a simple job. These families lack the necessary manpower, capital, and seeds; whatever work they want to be done, they must hire some labor, but because of lack of capital, to hire is not possible. When harvest time comes, they must settle their debts and make contributions to tens of named and unnamed funds; consequently, it is common for officers' families in rural areas today to have nothing to eat for five or six months a year. Officers' wives, no matter how disinterested they may be, perhaps do not want to make any comparison, but their mentality and feelings certainly are affected by the realities that take place everyday. These officers' wives, who once had to wait for a long time for their husbands' return without receiving any compensation, both material and spiritual, still must shoulder the family burdens.

As we paid a visit to BO4, S73, H4, B12, B90, and other units, we found that the officers' families in the rural rear area really were facing many difficulties resulting not only from the everyday life but also from such matters as

housing, education, and jobs for their children. When we discussed that situation with those units' leaders and commanders, we were told that they had made many efforts to help their officers to resolve problems for the latter's families in the rear area, but such a help was negligible. Colonel Tran Van Loan, the Group B25 leader, had this to say: "Every year our unit would spend tens of millions of dong from the production-increase fund contributed by our cadres and soldiers, but the spending is only aimed at mobilizing them; the hard-core question is whether the party and state have any policies to practically and realistically grant priorities and special attention to officers and their families in the rear area."

Now that we have a specific law for officers, whose occupation is considered a professional one and also a special kind of labor, we think the state should have appropriate procedures to give special treatment to officers and the rear area, or at least to ensure the minimum living conditions for their families so that they would feel reassured while serving in the army for a long time to come. Although the rear area is encountering such difficulties as we mentioned earlier, the great majority of officers has been showing a great sense of responsibility. This fact has been established very clearly in Infantry Group B25. In 1990, Group B25 led the emulation movement in Huong Giang Corps [Binh doan], with all of its units making uniform and steady progress and nobody among its cadres violating discipline because of lack of a sense of responsibility or failure to carry out his task, which pointed to the fact that it had a group of cadres fully devoted to the army.

The country's real economic situation is raising new questions about the policy of granting priorities and special attention to officers and the rear area. As to their pay, our officers in the army have many disadvantages; with their pay, they not only live a life full of want and hardship but also cannot afford to send anything home to their families. Now that we have the movement to build houses out of attachment and affection and to take care of wounded soldiers and families of dead heroes, we wonder whether we should also have a movement to take care of and to build attachment-and-affection houses for those families of officers now in the army which have encountered many difficulties. As we implement land-parcelling rule 10 in agriculture, local administrations should not only let officers' families receive land on a first priority basis but also reduce the contributions they must make, and fully waive or partially cut the payment of water conservancy and agricultural services fees. Furthermore, the party and state must create favorable conditions for officers to quickly stabilize their life after they return to their families. The life of officers now serving in the army will directly influence the decision of today's young soldiers to enroll in officers' training schools in order to devote their life to building the army. With the motto, "The state and the people work together," if there is an appropriate policy and we can launch an all-people movement to take care of families of officers now in the army, we will be able to overcome

the difficulties we are encountering and to create favorable conditions for officers to feel reassured as they serve in the army.

## ECONOMIC

### Ongoing Oil Projects Described

912E0137A Hanoi HANOI MOI in Vietnamese  
27 Jan 91 pp 1, 3

[Article by Nguyen Trieu: "Oil and Gas: Attractive Projects"]

[Text] Oil and gas exploration and extraction are still a new and very important field in our country. The key issues of this sector fall under the direct purview of the highest leadership organs of the party and state. Perhaps because of this, for many years virtually no one knew anything about what took place in this sector. And also because of this, there was not so scarce news about stories in the field everyone wanted to know about but that were filled with this "mystery."

According to the General Director Truong Thien, of the Vietnam Oil and Gas General Corporation, it is not that there isn't this or that in the sector. For example, the pipeline construction project that is under way has to be cancelled because it has finally been determined there is no economic benefit in the present phase. There are of course losses when projects in progress must be suspended. But large cases such as entering into agreements for exploration and extraction, importing equipment, etc., are really not like the news has carried.

The Vietnam oil and gas sector did not get started in October 1975, when the Oil and Gas General Department was formed. In 1959, our country recommended that the Soviet Union send specialists to help with exploring, zoning prospective regions, and evaluating oil and gas availability in the Red River delta. Over 40 wells were drilled in 1970, and gas was found in Thai Binh. In 1980, we discovered a number of wells with oil out at sea on the southern continental shelf. We extracted the first tons of industrial oil in 1986.

Some material for comparison: Like Vietnam, Malaysia also officially formed its oil and gas sector in 1975. In 1990, this country extracted 30 million tons of crude oil and 15 billion cubic meters of gas. By 5 December 1990, we had gathered the 5 millionth ton of oil in the 5-year plan (1986-1990).

To establish and extract oil and gas from a patch in the North Sea, they invested 8 billion dollars. In 1990, the Vietnam oil and gas sector received 6 million dollars in investment and has still not been given it all!

Our country has presently entered into agreement for oil and gas exploration and survey with 10 foreign companies. These are famous companies. For example, Shell, second in the world in terms of size and first in terms of profits; BHP of Australia, which ranks third; Total from

France, which ranks eighth; and so on. These 10 exploration and survey agreements are valid for five years and have total investment capital of approximately 500-700 million dollars.

To enter into an agreement, it takes two years at the earliest and up to four years at the latest. Whether the agreement is beneficial or not is not only the condition when concluding the agreement. A noteworthy part is the process of managing accomplishment of the agreement. For instance, if oil is not found in the five years of exploration and survey, the investor will suffer a setback. If it is, this amount of money will be figured into the capital contributed overall at the outset. Thus, our side must keep the use of this capital limited to those things that yield the most benefit. These are service ranks and installations such as offices to analyze and handle data collected, analyze samples, etc. If we let customers hire abroad, we lose money and fail to control the real situation.

The time has come for us to build refineries. Continuing to put crude oil up for sale to buy gasoline and other processed products means the loss each year of tens of millions of dollars. Meanwhile, to build a refinery commensurate with our capabilities will cost approximately 4-5 million dollars. We previously had agreements with the Soviet Union. Now these agreements are unachievable because of new conditions. There were 17 foreign companies that had put forward plans for building a refinery, including four plans selected in the "finals"—one from Total, one from Shell and two from Japan. Each plan has its good and bad points. Total recommends combining Vietnam oil (little sulphur, lots of paraffin) with Middle East oil (components are the reverse) for processing and thereby possibly produce lubricating oil and asphalt.

Shell has an extensive network of refineries in Southeast Asia and is never subject to any order prohibiting operations. The two Japanese companies, if signed, will

get loans from the state. The problem is to review and determine what is to the best advantage. However, the foregoing companies are requesting to review the location for building the refinery. They want to build right at the port so it is convenient for transport and consumption.

The discussion is about oil and gas, but we use oil while its companion gas is burned wastefully because there are no means to process it. Perhaps we can build a nitrate fertilizer plant (approximately 350 million dollars). There are presently 20 companies asking to register, but the two sides are not in agreement on the size and technique.

Another plan is to produce lubricating oil. With the way lubricating oil is used today, our equipment and machinery, while neither substantial nor very modern, each year loses an average of 20 million dollars because it is damaged ahead of schedule and loses precision. Or asphalt is also a tremendous need. Each year the state imports only 5-10 percent of the asphalt need. All are plans which need to be carried out. Whether they are or not, and to what degree, no one has dared talk about before. The ranks of commanders and employees of flotillas in the oil and gas sector do not satisfy the requirement. No one with this skill wants to return here because of low wages. Drillers and roughnecks out at sea work 12 hours a day and monthly wages are only 130,000 to 140,000 dong. The Soviet Union has officially announced that, from 1 January 1990, the monthly wage for each Soviet worker will be \$1,800 and \$4,500 for each specialist. Vietnamese cadres and workers doing similar work as Russian workers and specialists should, in our view, also earn similar wages. Such recommendations and views, however accomplished, obviously is dependent on reality.

And also because of reality, the Vietnam oil and gas sector has proposed another plan. It will gradually replace foreign specialists in each segment and will not ask for investment from the state beginning in 1991.



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