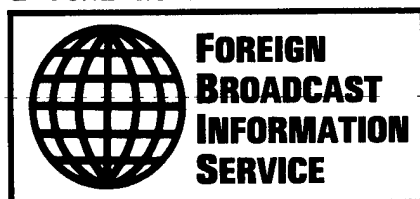


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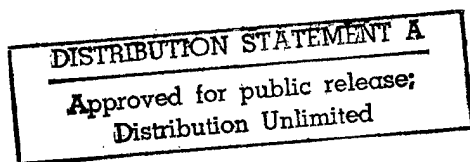
1 JUNE 1987



# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***



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### SPECIAL NOTICE

Effective 1 June 1987 JPRS reports will have a new cover design and color, and some reports will have a different title and format. Some of the color changes may be implemented earlier if existing supplies of stock are depleted.

The new cover colors will be as follows:

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The changes that are of interest to readers of this report are as follows:

The SOUTHEAST ASIA REPORT (SEA) will be titled EAST ASIA/SOUTHEAST ASIA (SEA).

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The KOREAN AFFAIRS REPORT (KAR) will be titled EAST ASIA/KOREA (KAR).

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KOREA: KULLOJA (AKU) will be issued as a separate series under EAST ASIA.

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1 JUNE 1987

EAST ASIA  
SOUTHEAST ASIA

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## INDONESIA

### NU LEADERS WELCOME PDI MEMBERS JOINING NU

Jakarta MERDEKA in Indonesian 23 Feb 87 p 2

[Text] Surabaya, 22 February--The Executive Committee of the Nahdlatul Ulama will welcome with joy and even with open arms Muslim members of the Indonesian Democracy Party (PDI) who wish to become members of the NU, in accordance with the recommendation of the general chairman of the Central Executive Council of the PDI and the chairman of its East Java Provincial Council.

This was stated by K.H.R. As'ad Syamsul Arifin, general adviser of the Executive Committee of the NU, through Zahrowi Musa, his private secretary, and K.H. Achmad Sidik, general chairman of the Advisory Council of the Executive Committee. They were recently contacted separately at their boarding schools in Asembagus, Situbondo Regency, and Jember, in East Java.

Zahrowi said quoting Kyai As'ad Samsul Arifin, director of the Salafiyah Sayafiyah Boarding School in Sukorejo, Asembagus District, Situbondo Regency: "Anyone may enter and become a member of the NU, provided they are Muslims and accept the constitution and bylaws of the NU, as well as meet the requirements."

Quoting the statements of leaders of PDI branches in various areas of East Java, following the issuance of advice to this effect by PDI leaders, at present an increasing number of Muslim PDI members are joining the NU. Furthermore, there has been an increasing number of NU members who wish to become members of the PDI, since they were given permission to channel their political aspirations through that party.

According to a member of the Executive Committee of the PDI and a member of the Executive Committee of the NU in Nganjuk Regency, there is an increasing number of Muslim members of the PDI entering the NU and NU members, in their private capacities, entering the PDI. However, their entry into the respective parties has been arranged secretly and on an individual basis and not en masse ceremony.

Not Something New

Zahrowi said that, according to Kyai As'ad, the NU, as a religious organization, will give priority to the development of the Islamic religion



and faith, in accordance with the teachings of the Sunnah [traditions of the Prophet Muhammad], which are followed by most of the Indonesian Islamic community. According to Zahrowi, the increasing number of people who wish to enter the NU will place an additional burden on the organization to develop its members. However, all of that is work in God's service and does not mean that longtime members need not be cultivated. Rather, all of them should be cultivated as a whole.

He also admitted that relations between the PNI [Indonesian Nationalist Party] and the NU, when the NU was a social organization, were very close. Indeed, during the 1950's many NU leaders were also PNI leaders.

He said: "Therefore, when this happens again, it is not something new but an old process which is being repeated. For after the NU became a political party, there were many people who chose to remain members of the PNI or joined the NU."

According to Achmad Sidik, when a person wishes to enter the NU, he must first know the constitution and bylaws of the NU, as well as its procedures and administrative practices.

Achmad Sidik said: "The NU is presently accepting anyone who wishes to enter, because it has opened itself up. However, it is limited to Muslims, whether from the PDI, GOLKAR, or even the PPP. Indeed, even H.J. Naro himself could enter the NU."

He urged that when Muslim members of the PDI wish to enter the NU, they should do this on an individual and not on a mass basis, because the entry of new members on a mass basis will leave an unfortunate impression.

5170/8309

CSO: 4213/67

# NU CHIEF CALLS FOR NU-GOLKAR COOPERATION

Jakarta KOMPAS in Indonesian 30 Mar 87 pp 1, 12

[Text] NU [Muslim Scholars Organization] members should cooperate with and complement GOLKAR [Functional Groups Organization], in order to unify the viewpoints, opinions and essential concepts of the national struggle for the ideal of a just and prosperous society based on PANCASILA [Five Principles of the Nation] and on the 1945 Constitution. Cooperation has a special meaning for the NU, a large socioreligious organization, and for GOLKAR, a large sociopolitical organization, in their attempts to get acquainted with each other.

This was the statement made by Abdurrahman Wahid, the general chairman of the NU's PB [Executive Committee], in his speech at the ceremonies marking the ascension to heaven of the Prophet Mohammad SAW [may the Lord bless him and give him peace]. The ceremonies were organized last Saturday [28 March] by the East Java GOLKAR's DPP [Central Executive Committee] at the Pancasila Stadium in Surabaya. Attending were about 8,000 people, most of them NU members from East Java, important figures from GOLKAR and from the NU's central and provincial offices.

## A Holy Task

Abdurrahman said that his hope is that this would be considered for a formal reconciliation between the NU and GOLKAR, which have been scowling at each other for 15 years. He also asked all NU members to persuade members of GOLKAR to follow the joint holy task blessed by God, i.e. to make humanity prosper.

Abdurrahman hoped that, for their part, members of GOLKAR would persuade NU members to maintain a unified Indonesia as the national framework, based on PANCASILA and the 1945 Constitution, as well as persuade them of the best way to run the country. "The NU should not be treated nicely only when its friendship is needed," he said, to thunderous applause from the audience. He admitted that NU members come from religious schools and do not understand the ins and outs of governing.

As a socioreligious organization, he continued, NU members are free to channel their political aspirations through the PPP [United Development Party], through the PDI [Indonesian Democracy Party] or through GOLKAR. However, NU

members were asked to reexamine the decisions of the 27th NU congress held in Situbondo before deciding on how to cast their votes. "NU members should not vote for any sociopolitical force for the wrong reasons. In addition, religion should not be directly tied to politics because religion is an aspiring force, a spiritual force which organizes political life in such a way that it is clean and responsible to the afterlife," he said.

According to Abdurrahman, an important NU figure, when religion revolves directly around politics, politics will not be mature and religion will lose out because it will be turned into a means of legitimizing existing political aspirations. NU members should exalt religion and not jump directly into politics.

He stated firmly that the NU, as an organization, should restrain itself and not restrict its members in channeling their political aspirations in the best direction. Let NU members choose what they want for themselves, he said. If the NU imposes restrictions, some will lose out. Formerly, all NU members were "over there" and now they now longer are.

However, Abdurrahman said, some people are too impatient for restraint and take a shortcut, saying that the NU is still tied to such-and-such a party because it is an Islamic or religious party. "I don't want to interfere in the internal affairs of the PPP, of GOLKAR or of the PDI. But I am afraid that NU members may have misunderstood the decision made by the party congress," he said.

Meanwhile, 40,000 NU members from central Sulawesi said of their own free will that they are supporting GOLKAR in the general election of 23 April. According to H. Rajuleinu Lahamado, chairman of central Sulawesi's NU, a copy of their statement had been sent this week to President Soeharto, to the minister of home affairs, to central Sulawesi's MUSPIDA [Provincial Executive Council] and to all NU directors in that province.

In the three previous elections--1972, 1977 and 1982--central Sulawesi's NU has given the PPP between 18,000 and 30,000 votes, making it second only to the Southeast central Islamic Union.

Referring to the political statement made by NU members in his province, Rajuleini Lahamado said that it is a follow-up to Abdurrahman's statement, giving NU members full freedom of political choice and aspirations in the upcoming election. "Here in central Sulawesi we are all channeling our political aspirations through GOLKAR," said Lahamado, who has been put up by the PPP in the 1987 general election as candidate number 13 for the DPRD I [Provincial Parliament].

Contacted by KOMPAS on that day, Drs Aziz Larekeng, chairman of GOLKAR's central Sulawesi DPD [Provincial Executive Board], said that he welcomed the decision of NU members to support GOLKAR in the upcoming election.

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CSO: 4213/75

REPORTAGE ON PDI YOUTH UNION, ELECTIONS

'Independence' in Elections Declared

Jakarta PELITA in Indonesian 25 Feb 87 pp 1, 9

[Text] Jakarta, PELITA--Indonesian Democratic Youth has stated that it will take an independent attitude in the elections and has instructed all of its members to use their right to vote in the elections in an independent way. An instruction to this effect has been issued by the Central Executive Council of Indonesian Democratic Youth and signed by Eddy Sukirman and Abdulgani, chairman and secretary general of the organization, respectively. It states: "In the forthcoming general elections members of Indonesian Democratic Youth are fully free to exercise their electoral rights."

The instruction from the Central Executive Council of Indonesian Democratic Youth, which was sent to provincial and branch executive councils of the organization throughout Indonesia, mentioned several reasons why the organization, which until now has been known to be very close to one of the political parties contesting the general elections, will not require its members to vote for this party. According to the instruction, the organization, as intended in its constitution and bylaws and in accordance with Law No 8 of 1985, is independent and is not subordinate to any political party.

Maintaining Its Independence

The instruction stated: "To maintain the independence of the organization, all members of the provincial and branch executive councils throughout the country are asked to provide advise and guidance to all members. Activists and members of the Democratic Youth will not be permitted to identify themselves with the organization in any activity in connection with the 1987 general elections campaign."

The instruction firmly stated those who are candidates for Parliament or for provincial or regency representative councils or who are active in the campaign should only make use of their position as participants in the 1987 general elections. For example, PDI (Indonesian Democratic Party) candidates, activists, or campaign workers will only identify themselves with PDI. The same is also true of other political parties taking part in the election. This was contained in the instruction dated 21 February 1987.

It was also stated in the instruction that members of the Democratic Youth who serve as party workers for a social or political group taking part in the 1987 general elections, such as the PDI, and who have been nominated for election to Parliament or provincial or regency representative councils will be given moral support by the Central Executive Council of Indonesian Democratic Youth. The instruction stated: "Therefore, those who are subsequently elected as members of these representative bodies will truly be representatives of the people who have quality, dedication, and are fully loyal to the Indonesian nation and state, based on the Pancasila and the Constitution of 1945."

It was also stated in the instruction sent to all provincial and branch executive councils of Indonesian Democratic Youth that in the course of the elections on 23 April 1987 leaders of the youth group are asked to prepare members of the organization to serve on a volunteer basis as poll watchers in every polling place. Furthermore, they must help every activist and responsible official to ensure the smooth administration of the 1987 general elections. The instruction stated: "May the forthcoming general elections truly be held in a direct, general, free, secret, honest, and just way, as provided for in the law containing the regulations on carrying out the 1987 general elections."

#### Instruction Disputed

Jakarta PELITA in Indonesian 26 Feb 87 pp 1, 12

[Excerpts] Jakarta, PELITA--Members of Indonesian Democratic Youth have been asked not to be influenced by a personal statement issued in the name of the Central Executive Council of the youth organization. This was particularly directed at matters involving the question of instructions, in connection with the attitude which should be adopted toward the 1987 general elections, especially regarding the manner in which members of the group channel their political aspirations.

This is a summary of the statement issued by Wilmar Siregar and Bambang Supeno, who are both chairmen of the Central Executive Council of Indonesian Democratic Youth. They were separately interviewed by a PELITA representative on 25 February. Both Wilmar and Bambang, in commenting on the instruction signed by Eddy Sukirman and Abdulgani, greatly regretted the action taken by the latter.

According to Wilmar, the instruction was issued without the agreement of the Central Executive Council. Wilmar said firmly: "It should have been approved at a plenary session of the Central Executive Council. However, the instruction as issued was not considered at a plenary session of the Central Executive Council or through discussions with the other members of the council."

In Wilmar's view the action taken by Eddy Sukirman and Abdulgani in issuing the instruction was improper and careless. He said: "Consequently, it will hurt the position of our members in the provinces who have been nominated as candidates by one of the political parties."

Subsequently, Wilmar specifically asked why Eddy Sukirman and Abdulgani suddenly issued the instruction in the name of the Central Executive Council of Indonesian Democratic Youth. As a result of the instruction, confusion has been created among members of Indonesian Democratic Youth. He stated: "And members of the Central Executive Council have received a number of questions from members of the organization."

5170/8309

CSO: 4213/67

## MERGER OF YOUTH ORGANIZATIONS PROPOSED

Jakarta SUARA KARYA in Indonesian 24 Feb 87 p 11

[Text] Jakarta, SUARA KARYA--It would be a very positive step if youth organizations would approve the proposal of Minister of State for Youth and Sports Abdul Gafur to streamline youth organizations, among other things by merging them.

In a statement to the press at Parliament on 23 February Daryatmo, adviser to the Functional Development Faction, said that the minister's proposal had no other purpose than to facilitate development, so that, sooner or later, youth organizations, including both those already existing as well as those that may be established in the future, would play a more effective role.

Dr Abdul Gafur, speaking at a KNPI [Indonesian National Youth Committee] symposium on 21 February, said that it was time for youth organizations established on the basis of religion, such as Ansor, Muhammadiyah Youth, the PMII [Indonesian Islamic University Students Movement], and other, similar groups, to begin considering steps toward streamlining themselves. Abdul Gafur said: "Isn't it true that groups like Ansor and the PMII come from the same source? Why don't they just merge?"

According to Daryatmo, the proposal for a merger on the basis of similarity in their objectives will be a very positive initiative if it is accepted by all youth organizations. He said: "Furthermore, if there is a desire to do this on the part of the youth organizations, the government will not refuse to approve it."

He said that the government's efforts to develop the youth movement have certainly been rather difficult, because the number of youth organizations, and, even more, the number of community organizations have been rather large. He said: "The government certainly doesn't have enough time to deal with all of them."

However, the former chairman of the MPR/DPR, who also served as a member of the special committee to consider the Law on Mass Organizations, said that youth organizations will not be forced to merge. The law does not demand this. He said: "Let the organizations develop, as long as they do not violate the law."

He admitted that many community organizations, including youth organizations, considered from the point of view of their "beliefs," will be rather difficult to join together. If it is difficult for them to merge, then it certainly will be more difficult to force them to merge. For example, take the NU and the Muhammadiyah.

Regarding the fact that Law on Mass Organizations is not perfect, Daryatmo said that the law only set down the foundations for the establishment of community organizations. It may be that the law will be amended. He said: "The government might just present the matter to Parliament, and Parliament would certainly consider it."

In answer to a question Daryatmo said that community organizations can accommodate themselves to the Law on Mass Organizations, and that will appear in their constitution and bylaws.

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CSO: 4213/67



CATHOLIC STUDENT ASSOCIATION DENIES TIE TO PDI

Jakarta PELITA in Indonesian 28 Mar 87 p 12

[Text] The executive board of the PMKRI (Republic of Indonesia Catholic Student Association) denied that the PMKRI is involved in monitoring the general election for the PDI [Indonesian Democracy Party]. This statement was made yesterday in a press release put out by the executive board of the PMKRI. Signed by Paulus Januar, chairman of the presidium, and by Bernardus Bothada Iry, secretary, the release responded to a report about the PMKRI which they thought was completely inaccurate and which appeared in a Jakarta newspaper.

According to that report, Suparlan, chairman of GMNI [Indonesian National Student Movement] and a supporter of the PDI, stated that individual GMNI members, together with members of the Indonesian Protestant Students Movement (GMKI) and members of the PMKRI, support cooperative monitoring of the general election for the PDI. The report was confirmed by Sukowaluyo, formerly an important figure in the GMKI and now chairman of the PDI's DPP [Central Executive Board].

Independent

According to the PMKRI's Executive Board, the organization is independent, is not monitoring the general election for any one of the contesting parties and very much regrets those untrue statements.

The PMKRI's Executive Board denied the newspaper report's statement that the PMKRI had originally been affiliated with the Catholic Party, which later joined the PNI [Indonesian Nationalist Party], PARKINDO [Indonesian Christian Party], MURBA [Common People's Party] and IPKI [League of Indonesian Freedom Supporters] to form the PDI. The truth, according to the board, is that the PMKRI has been an independent party since it was founded in 1947 and has not been affiliated with or tied itself to any political organization. So it is not true that the PMKRI has in the past been connected with or has been an affiliate of the Catholic Party.

The news report is to be regretted, continued the Board, because its accuracy was never checked or confirmed with the PMKRI, because it is inaccurate and because it has harmed the PKRI's good name.

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CSO:4213/75

MINISTER SPEAKS OUT ON NEED FOR SUPERIOR RICE SEED

Jakarta MERDEKA in Indonesian 23 Mar 87 p 8

[Text] If Indonesia is to maintain self-sufficiency in rice, rice seed that produces more rice plants is an absolute necessity. To obtain superior rice seed, processing factories must cooperate with farmers who run nurseries.

Eng. Wardoyo, junior minister for raising food production, made this statement in Serang yesterday at a ceremony officially inaugurating the UKKS (Cooperative Work Unit) of the Sang Hyang Seri public corporation.

He went on to emphasize that cooperation is an absolute necessity, especially for seed processing factories which do not have any rice land on which to produce seeds. He mentioned the Sang Hyang Seri public corporation, which has seed-producing land only in Sukamandi, West Java, as an example.

Now that the Serang UKKS has been set up, farmers in the Serang area will have the advantage of being able to obtain seeds faster and of cooperating in developing seeds for rice and for other food crops.

Wardoyo told an audience of farmers and farm groups, "Even though we are now self-supporting in rice, we must continue to be concerned about plant pests such as the brown rice-borer, which might upset our self-sufficiency in rice and ruin our farmers."

In order to preserve self-sufficiency in rice the government has targeted 1987 rice production at 27.3 tons [as published], an increase of 2.4 percent over last year.

"In order to achieve that increase there must be a technological breakthrough, so that farm productivity can increase even more," said Wardoyo.

He said that efforts are now being made to turn more nonintensification areas into INMUM (General Intensification) areas, to turn more INMUM areas into INSUS (Special Intensification) areas and to increase the number of INSUS, double-INSUS and super-INSUS areas.

Wardoyo said that to support the efforts being made by farmers and farm groups the government is building several new rice seed processing factories and that

these factories will support the farmers in getting six critical things right: variety, quality, amount, time, place and price.

He stated that to make sure that the seeds which are produced do not go to waste, seed factories, local food crop services and nursery farmers must carry out accurate studies.

9846

CSO: 4213/75

# INVESTMENT CREDIT SYSTEM TO BE SIMPLIFIED

Jakarta SUARA KARYA in Indonesian 26 Feb 87 p 1

[Text] Jakarta, SUARA KARYA--"Bapindo [Indonesian Development Bank] will simplify the procedure for granting investment loans." This was stated by Dr Subekti Ismaun, managing director of Bapindo. The simplification of the system, intended to stimulate investment activity by the Indonesian private business world, involves both the criteria for evaluating credit worthiness as well as the length of time for the release of funds under the investment loan which is granted.

Doctor Subekti added: "We admit that, particularly in terms of the length of time for providing funds under the investment loan, Bapindo still needs improvement." He was speaking to the press after signing an agreement on cooperation with the Capital Investment Coordinating Board (BKPM) on 25 February. The agreement on cooperation, which is part of an effort to increase investment in Indonesia, was signed by Engr Sanyoto Sastrowardoyo, deputy chairman of the BKPM, and witnessed by B. Sulisto, chairman of the Capital Investment Section of the Indonesian Chamber of Commerce and Industry, and banking representatives.

Doctor Subekti was not yet able to provide details on the effort to simplify the extension of investment loans. Up to the present this has been considered by Sanyoto as one of the basic problems in the failure to carry out investments approved by the government. Subekti added: "At present we have been trying to meet a commitment to release loan funds after 120 days at the most. For medium and long term investment loans, which may be for as long as 15 years and are for 12 years, on the average, this is a rather short time for releasing the loan funds."

## Active

Based on BKPM research, Sanyoto said that a number of investment projects had become stalled as a result of the failure of the investor to obtain rather large bank loans. The same thing is true of the delays in implementing investment projects approved by the BKPM.

Sanyoto proposed that the bank take a more active role, for example by using professional managers trusted by the bank, so that the implementation of the investment project will go forward smoothly and the repayment of the loan will

be ensured. This is because, in practice, the factor of trust in the investor is an important element in ensuring facility in the extension of the loan.

Subekti thinks that existing concepts of banking and investment need to be improved. In his view the community, and particularly the potential investor, does not really understand the sources of the financing provided. Indeed, at times, the investor does not understand which technical office or department is carrying out the development program. In this connection the source of the financing and other matters are mutually related to other aspects of the loan.

In answer to a question Sanyoto said: "An investor who has obtained a Firm Letter of Agreement is not automatically entitled to obtain a bank loan. The bank has its own criteria." However, both Sanyoto, as well as Subekti, agree on the need to come closer to adopting one set of criteria on credit worthiness for the investor in the future.

5170

CSO: 4213/67

VOLUNTEERS JOIN LEGAL AID SOCIETY

Jakarta KOMPAS in Indonesian 28 Mar 87 p 3

[Text] To make up for a shortage of defense attorneys the Jakarta branch of the LBH [Legal Aid Society] accepted 21 senior law students last Thursday [26 March]. Two new general defense attorneys, Furqon W. Anthon, S.H. [Master of Laws] and Pipien Uniekowati, S.H., were also hired.

Abdul Hakim G. Nusantara, S.H., LLM, director of the Jakarta LBH, said at the inauguration ceremony for the newly-hired personnel that the present depressed economic situation has caused many legal problems. "The LBH, as a self-help legal society for the masses, is not sitting still," he said.

In order to liberate ordinary people's aspirations, which have often been suppressed, a high level of idealism and commitment is needed. "So, we need defense attorneys who can develop a social vision and be organizers of the masses," he added.

Abdul Hakim said that the increase in the number of lawsuits on behalf of the masses has forced the Jakarta LBH to recruit volunteer lawyers. By taking on 21 volunteers, it hopes to improve the ratio of lawyers to cases. As an example, Mas Achmad Santosa, S.H., head of public relations for the Jakarta LBH, stated that in 1986 there were 1,440 cases, but that only 13 lawyers, seven general defense attorneys and six assistant attorneys, were available. "You can imagine how busy we were," he said.

Unpaid

Mas Achmad said that since the end of December, when the LBH began to accept applications, there have been more than 100 applicants for the position of volunteer. "We did not imagine that there would turn out to be so many interested people; they know that the LBH gives no material compensation," he said.

Beause there have been many more applicants than needed, the LBH has been forced to select among them. The volunteers contract to work for the LBH for a year. During that time they are given money only for food and transportation.

9846

CSO: 4213/75

## BRIEFS

RATIO OF TAX TO GNP--Even though tax revenues and the number of tax payers in Indonesia have increased over the last three years, the ratio of tax receipts to the GNP is only about 8 percent. This figure is lower for Indonesia than for other developing countries, where the tax-to-GNP ratio has reached 10 and even 20 percent. Drs Salamun A. T., director general of taxes, made this statement in an interview with TVRI [Republic of Indonesia Television] last night. "Compared to previous years this figure of 8 percent represents an increase. However, in view of the number of people subject to the tax and Indonesia's tax revenues, we should not be satisfied," he said. According to Salamun, the reason for the weakness in tax revenues is that many people are unaware that they are subject to the tax. In addition, he admitted that the government did not start to campaign for tax awareness until 1983 and 1984. [Text] [Jakarta SUARA PEMBARUAN in Indonesian 28 Mar 87 p 11] 9846

LARGER PROFITS REPORTED--On the whole fiscal year 1986-1987 profits from state companies (BUMN) are up from 1985-1986 receipts. This statement was made by Minister of Finance Radius Prawiro after he had reported to President Soeharto at Cendana Street [the president's residence] on Saturday [28 March]. Without giving the exact size of this year's profits, Radius stated, "This is a sign that in these hard times some BUMN have succeeded in contributing better profits to the government." This does not mean, however, that all BUMN are in good shape now. The minister was not willing to go into this further because a presidential investigatory team, chaired by the minister of economy, finance and industry, is still closely examining the condition of each BUMN. Radius was also not willing to give the size of increased BUMN profits because they had to be reported first to the DPR [Parliament] this coming Monday [30 March]. The minister firmly denied that there were BUMN which had been losing consistently but which had recently reported profits after turning them into private companies had been considered. "People can report talk but I work with the numbers. Since I employ accountants to examine the numbers, what I say and what the figures say must coincide." [Text] [ Jakarta KOMPAS in Indonesian 30 Mar 87 p 1] 9846

CSO: 4213/75

LAOS

THAI WEEKLY VIEWS INSECURITY, PARAMILITARY MOBILIZATION

Bangkok KHAO PHISIT in Thai 25-31 Mar 87 p 55

[Unattributed report: "An Answer for the Lao Constitution"]

[Excerpt] Once again, Lao officials are confronting the resistance forces that cross back and forth across the Thai border. Clashes were reported in previous years.

Two Soviet experts and their Lao driver were killed in an ambush by resistance forces in Xieng Khouang Province near the Thai border in 1984. That same year, Radio Vientiane reported that there had been 22 clashes with counterrevolutionaries nationwide. In addition, "guerrilla" forces, or village troops, carried out 1,300 security operations.

No such reports were issued in 1985 or 1986. This was the case even though reports on the Thai side stated that Laos forces were still carrying on operations to suppress the resistance and that Hmong refugees had been killed on several occasions.

During these past 2 years, Laos has established guerrilla forces throughout the country. Last week, the official radio reported that last year, Luang Prabang Province, which is another province that borders Thailand, "basically" finished establishing guerrilla forces in order to foil the "destructive stratagems of the enemy." Laos' mouthpiece did not say to whom it was referring.

But Laos cannot rest on the accomplishments in Luang Prabang Province. Because at the end of January 1987, the official radio of Laos reported that today, only 40 districts in 17 provinces nationwide are "secure from the destructive intentions of the enemy." This is tantamount to admitting that national security is still an important problem in Laos. But this should come as no surprise if statements made by Mr Kaysone are reviewed.

In a speech given at the 1985 plenum of the Supreme People's Council, the party general secretary warned those present that "enemies have infiltrated us and are causing great damage just like termites in a house." Mr Kaysone made similar statements on many other occasions after that. In particular, he issued such a warning at the Fourth Party Congress held last November. In his



political report, Laos' top leader criticized those comrades who are unaware of the enemy's stratagems.

"In the new conditions of our revolution, we have placed great emphasis on revolutionary awareness. But there have been times when insufficient attention has been given to defending against the threats to the revolution. Some cadres and party members and some of our citizens are not fully aware of the dangerous tricks and clever stratagems of the enemy, particularly the enemy's psychological warfare stratagems," said the general secretary.

All of this shows very clearly that Laos is not yet ready to promulgate a constitution. And nothing definite has been stipulated concerning the future of the country's first constitution.

11943

CSO: 4207/187

BACKGROUND TO LAO-THAI TALKS, PROBLEMS, PERSONALITIES

Bangkok KHAO PHISSET in Thai 1-7 Apr 87 pp 49-52

[Unattributed report: "Penetrating Analysis: the Three Villages Have Become an Issue Again; Thai-Lao Relations Have Become Tense Again"]

[Excerpts] "They were a failure. No progress was made." That is the conclusion of officials on both sides and the members of the mass media who monitored the second round of negotiations that were held on 25 and 26 March in an attempt to improve Thai-Lao relations.

The results of this round of talks were very different from the first time when Mr Arun Phanuphong, an advisor to the prime minister, led a team of senior officials to meet with Lao officials in Vientiane. This time, the talks ended on a very sour note and both sides left emptyhanded. This has reminded Thai officials of what the atmosphere was like in 1984 when Mr Souban Salitthilat brought a delegation to Bangkok for two rounds of negotiations here. The talks were a complete failure. The only thing gained by the Lao side was that it had a chance to use the Thai capital as a stage for attacking the Thai government. And the Lao deputy minister of foreign affairs has not changed his behavior, as he made clear last week.

Afterwards, Mr Souban tried to explain that he had acted in accord with the agreement reached with Mr Arun in Vientiane. That is, he spoke frankly. He said that he wanted the Thai people to understand the problems in our bilateral relations. But that did not help improve the situation.

Mr Souban began the negotiations by expressing doubts about whether Thailand is really sincere about improving bilateral relations. He raised several issues that he said showed Thailand's evil intentions. One of the matters that he mentioned was the arrest of a Thai military officer and a number of Lao expatriates and the arrest of Lao refugees from the Ban Winai Refugee Center in Pak Chom District, Loei Province. Mr Souban claimed that he has conclusive evidence showing that Thailand and the United States had sent these people to carry on espionage and commit acts of sabotage in Laos.

The Lao deputy minister of foreign affairs also charged that "terrorists from the Thai side" were involved in the bombing that took place on 9 March at the Soviet Cultural Center in Vientiane. Mr Sarot Chawanawirat, the

director-general of the Thai Information Department, said that this charge was "totally unfounded."

#### But This Has "Left a Bad Taste"

Actually, these ill feelings toward each other first arose in February when Lao officials announced that they were postponing their visit to Thailand from the end of February to last week. As an excuse, they said that Mr Souban had to attend a meeting of the nonaligned group in Guyana in South America. Laos did not give any other explanation. For example, during that period, a Soviet deputy minister of communications was in Vientiane. And at the beginning of March, when Mr Souban was supposed to visit Thailand, Mr Eduard Shevardnadze stopped off here on his way to Vientiane. And during this same period, Mr Oskar Fischer, the East German minister of foreign affairs, paid a visit to Laos.

All of these visits created much work for Laos. Thailand understood. There was no need to explain things. Because the Lao government has only two deputy ministers of foreign affairs, Mr Souban and Mr Soulivong Pasitthidet.

However, just after the Lao side postponed the visit and negotiations, the Lao ambassador in Bangkok met with Gen Chawalit Yongchaiyut on two occasions and tried to convince the Thai RTA CINC to visit Vientiane before the trip to Bangkok by Mr Souban and his delegation.

However, things had begun to turn sour even before that. This began at the beginning of January when Laos began voicing criticisms and making charges through the Lao press and radio. Thailand informed the Lao delegation that that was a violation of the agreement reached in Vientiane. On that occasion, the Thai delegation had proposed that the two sides stop criticizing each other and instead discuss things together through diplomatic channels. Laos agreed to this proposal.

But this time, Mr Souban told the Thai delegation that this was difficult, because it is difficult to distinguish between criticisms and the presentation of the facts or Laos' view.

On 9 January, Thailand and the United States signed an agreement on establishing a war reserve stockpile for use in times of war. This was criticized by Laos repeatedly. Laos charged that this war reserve stockpile poses a threat to Laos and its allies in Indochina.

Things grew even worse when the Lao Ministry of Foreign Affairs issued a statement on 16 January condemning the association between Thailand and the United States. Radio Laos broadcast this statement that same day.

Shortly after the flap over the war reserve stockpile, a new issue arose, and this proved to have a very serious effect on relations between the two countries. On 13 February, Mr Sombat Chunlamani, the director-general of Department 3 (Political Department), summoned Mr Waiphot Suwannamoli, the Thai charge d'affairs, and handed him a protest note. Laos charged that a Thai spy plane had penetrated 5 km into Lao airspace on 3 February in Champassak

Province on 7 February [as published]. The Lao official warned the Thai charge d'affairs: "Thailand should implement strict measures to ensure that this does not happen again. Otherwise, Laos will take appropriate action."

Was Laos going to shoot down Thai aircraft that violated its airspace? Fortunately, that did not happen. In particular, that was a period in which Thai military forces were engaged in a battle against Vietnamese forces. That was also a period in which Maj Gen Osakan Thammatheva, the chief of the Political Department of the Lao People's Revolutionary Army and the Lao deputy minister of defense, was attending an army political department meeting with his Vietnamese and Cambodian counterparts in Phnom Penh. Only Laos knows if that had anything to do with relations with Thailand. (According to a report broadcast over the national radio, Maj Gen Osakan and his party left on 3 February and returned on 10 February.)

The atmosphere grew even worse. On 18 February, that is, just 5 days later, PASASON, the newspaper of the Lao People's Revolutionary Party, published an article criticizing reports that had appeared in newspapers in Bangkok. The reports stated that Laos had fired on a Thai Mekong River Operations [MROU] boat and that Vietnamese soldiers in Laos had killed 43 Hmong. The Lao newspaper article said that these reports were untrue. The article said that both Thailand and Laos should be on guard against the "evil intentions" of the "right-wing reactionaries among Thai powerholders," who are trying to block any improvement in bilateral relations.

Laos stopped making criticisms for about a month. But things were still smoldering. Then on 18 March, Lao Radio broadcast another report denying the charge that Laos was involved in narcotics trafficking activities. A Thai MROU official had discussed this in an interview with reporters. The broadcast also charged that Thailand had sent people into Laos to gather intelligence, commit act of sabotage, and rob.

On 19 March, which was only 5 days before Mr Souban and his party were to come to Bangkok, in an interview, Mr Phanthong Phommahasai, the acting spokesman for the Lao Ministry of Foreign Affairs, blamed the "right-wing reactionaries" in Thailand for the explosion that occurred on the morning of 9 March during the visit to Vientiane by the Soviet minister of foreign affairs. Mr Phanthong referred to the arrest of a Thai and a number of expatriate Lao. He said that there was "conclusive" evidence. Mr Souban revealed this to the Thai delegation last week. He then released this information to reporters outside the negotiating room.

#### Return to the Problem of the Three Villages

Mr Souban stipulated that solving the problem of the three villages should form the basis for improving bilateral relations and cooperation. "If we can solve this problem, other obstacles to improving relations will decline," said Mr Souban.

The head of the Lao delegation did not make any new proposals. He reiterated that Thailand must withdraw its military forces from Lao territory. He also asked Thailand to return the Lao who fled these villages and who have been

living in Thailand since 1984. He said that if these conditions are met, Laos will be willing to form a joint committee in order to determine the facts. All of this can lead to "conditional cooperation" in the future.

The head of the Thai negotiating team said that he proposed to the Lao delegation that the local-level joint committees and the national-level joint subcommittee be revived. Laos said that it would consider this but that activities could get underway again only after the problem of the three villages had been solved.

Mr Arun also proposed that Laos find a way to allow private Thai businessmen to invest in Laos. Laos said that it would consider this. But in the end, the sticking point was again the problem of the three villages.

It seems that Laos has assessed the situation incorrectly. Mr Souban said that the time has come to solve the problem of the three villages. The situation has changed since 1984. He said that this problem can be solved if Thailand will try just a little harder. This is why Laos tried to persuade Gen Chawalit to "bypass diplomatic circles" and visit Vientiane. Laos believes that only the military can resolve the military dispute between the two countries. But as far as Thailand is concerned, the time is not yet ripe. One of the conditions set by Thailand is that the two sides must spend time getting to know each other, increase mutual cooperation, and allow the peoples of the two countries to visit each other more frequently in order to create a better atmosphere as a basis for mutual relations. Only then will it be possible to resolve such critical matters.

What Thailand means is that the time will be right when Air Chief Marshal Sitthi visits Vientiane. It was expected that that would occur after his visit to the Soviet Union and certain East European countries in May. But now, his visit, tentatively scheduled for June, may have to be postponed. And the visit by the Thai RTA CINC, which was set for April, may have to be postponed, too.

#### A Spark of Hope

Even though no further meetings have been scheduled, the talks last week cannot be labeled a "failure." It cannot be said that "no progress was made." In an interview with reporters on his return to Vientiane on 28 March, Mr Souban admitted that on the surface, this second round of talks with Thailand "failed to make progress," because the two sides did not reach any agreement. But the day before, when he went to pay his respects to Gen Prem Tinsulanon, the Thai prime minister, the "prime minister said that if (the negotiations at) this level cannot solve the problems, matters should be taken up by a higher level in order to solve the problems. I feel that the Thai government wants to continue the negotiations in order to solve the problems," said Mr Souban.

"I think that this is good. Because the meetings will continue. Like Laos, Thailand wants the meetings to continue," reported Radio Laos citing a statement by Mr Souban during its 29 March morning program.

Prior to that, the Lao deputy minister of foreign affairs told reporters in Bangkok that he had taken the opportunity to invite Mr Arun to lead another delegation to Vientiane if it is felt that last week's talks did not create the conditions necessary for a visit by the Thai minister of foreign affairs. But there is nothing to assure either Laos or Thailand that anything would be achieved by Air Chief Marshal Sitthi visiting Vientiane, which is becoming the leading capital of the Indochina group.

However, certain aspects of the negotiations have generated a spark of hope for Thai-Lao relations. Both sides agreed to use the two joint communiques of 1979 as the basis for trying to improve bilateral relations. Thailand proposed that the two countries cooperate in promoting tourism between the two countries. It proposed that some of the islets in the Mekong River be opened to tourists. Laos said that it would consider this.

Laos proposed that cultural and scholarly exchanges be expanded and that there be student exchanges. The Thai delegation said that it would submit this proposal to the government. Laos said that it would look into the matter of narcotics production in Laos and that it would look for ways to prevent narcotics from being smuggled into Thailand. It was Thailand that raised this issue and expressed concern during the talks. Laos denied that it has supported the cultivation or production of narcotics except for permitting people to grow such plants for use as a medicine.

All of these things are questions to which both sides are waiting for an answer. And these are conditions that should enable the two sides to find a way to continue the negotiations even if this should take several months.

11943

CSO: 4207/187

LAOS

THAI VISITORS SEE DETERIORATION, REGIME UNPOPULARITY, EXCHANGE RATES

Bangkok SIAM RAT SAPDA WICHAN in Thai 5-11 Apr 87 pp 26, 27

[Unattributed report: "A Visit to Vientiane"]

[Excerpts] After eating breakfast, we road to the "Tha Set" dock in Nong Khai Province in order to cross the river to the Lao People's Democratic Republic. Many people asked us, "Why are you going there?"

They charged us 30 baht apiece to take us across to the other side, to a foreign country. Even though it takes only 5 minutes to cross over by boat, at this price, we had to wait a few minutes until the boat was filled with passengers. If someone wants to leave immediately, they charge 50 baht per person. Some of the boats that cross the river fly the Thai flag while others fly the Lao flag. Some say that the boats that leave from the Thai side must be Thai boats. Those are the ones that fly the Thai flag. The boats coming from the Lao side must be Lao boats.

Actually, Thai-Lao relations have improved greatly since the beginning of the year following the visit to Laos by former Minister Arun Phanuphong and his party. Following that, a Lao drama troupe came and performed in Thailand, mainly in Bangkok. Because relations between our two countries had improved, Thai officials reduced the number of items on the list of strategic goods from 273 to only 61. That is, it allowed Thai merchants to sell these goods to Laos.

Just a few minutes after leaving Thailand, we reached Laos. The boat docked at the stairs of the Lao dock known as "Tha Dua." Lao officials examined our passports or border passes at the foot of the stairs. Because this was the start of the dry season, the water level of the Mekong River was very low. At first, we did not know whether these officials were soldiers or policemen, because they were dressed in light-green uniforms. They looked quite young. They looked at our passports and just nodded. They didn't say anything but indicated that we could go up the stairs.

When we reached the top, we were met by customs officials. They asked us what items we had brought with us and how much money we were carrying. They were dressed casually. Some of them spoke to us in the Thai language without any accent at all. Following that, our passports were examined again by female

officials. The inspection was quite thorough. However, an acquaintance told us that "these officials are not very efficient, because their duties change almost every month."

Before we left the Tha Dua checkpoint, we exchanged our baht for kip at a rate of 400 kip per 100 baht, which is the official rate of exchange. We did this because we needed to have some kip on us. As for purchasing various items, in general, people will gladly accept payment in baht. The baht is just as strong here as it is in Bangkok.

Even though the Lao government has been in power for 11 years now, the government is still having problems in governing the country. Lao who are enemies of the government are still stirring up trouble. Terrorist acts are committed occasionally. But many of these things have been concealed. Most recently, a bomb was set off during the visit by the Soviet minister of foreign affairs. This shows that those opposing the government are very "bold." They are not afraid to operate in the cities and on important occasions, which is an embarrassment to the government.

In terms of its views and ideals, the present Lao government is definitely communist. But it is very difficult to determine how well it has succeeded in turning the Lao people in general into communists. We saw many young Buddhist monks, and villagers continue to engage in merit-making activities. The only thing is that many of these monks are studying the Russian language. Perhaps this is because many books are available in the Russian language. And most of the foreigners in Vientiane are from the Soviet Union.

In general, the government has not yet made any attempt to oppose religion. All it has done is reduce its support for religion. Thus, the temples look run down. But most buildings in Vientiane look dilapidated. The former lords and wealthy citizens have all fled their homes and others have moved in. These houses look old and run down. Buildings that look new and that are cared for well are all embassy buildings or offices of senior diplomats. But even though the temples are run down, they still look all right. The people still like to build stupas to hold the bones of their ancestors. They hire skilled plasterers to build these.

11943

CSO: 4207/187



PAPER COMMENTS ON UMNO ELECTION

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 26 Mar 87 p 27

[Editorial: "UMNO Election Draws Great Attention"]

[Text] Nominations submitted by the nationwide 120 divisions of the United Malays National Organization [UMNO] were closed on 22 March. In the matter of party chairmanship, Prime Minister Datuk Sri Dr Mahathir overawed other candidates by winning the largest number of nominations, while Minister of Trade and Industry Tengku Razaleigh, who is most likely to challenge the party chairman, was nominated by 37 UMNO divisions. Concerning the post of party deputy chairman, Deputy Prime Minister Ghafar Baba led in the number of nominations against his challenger Datuk Musa Hitam.

Generally speaking, the nominations of the divisions throughout the country to a certain degree essentially reflected an election of high-level posts within the UMNO. However, as the circumstances surrounding the imminent UMNO election were different from the past, especially the intense competition for the coveted posts, it is possible that the divisions' nominations had been influenced by certain delicate factors and that these nominations may not be able to completely reflect the essence of the UMNO election.

As a matter of fact, judging by the public statements made by leaders of UMNO's two factions in the past month, particularly their mutual rummaging of old accounts, people can deduce that the present UMNO election is really the most intense and sensational.

As a result of the fierce competition for the posts of party chairman and deputy chairman, some people believe that the situation may ultimately lead to a split within the party. We do not agree with this view, because the power struggle in the UMNO leadership level is not something new but already occurred during the Tunku [Abdul Rahman] period. However, by virtue of the UMNO's fine tradition, plus the fact that the majority of its members have democratic thinking, each and every power struggle was appropriately resolved in the long run and the party's solidarity speedily restored.

Looking at the present situation, the fierceness of the UMNO election is indeed unprecedented and, to a great degree, has shattered the tradition of an UMNO election. However, we believe that we should view this problem in a positive manner, because the shattering of the UMNO election tradition in itself carries a positive meaning and also coincides with the democratic political system as pursued by our country.

In fact, we had anticipated that a fierce struggle could erupt at the current UMNO election. A year ago, when Datuk Musa Hitam relinquished his government post, we pointed out that since he is a man of political ideals, Musa Hitam can of course continue to realize his own political ideals by struggling within the realm of democratic politics. This is understandable. Consequently, an exciting situation may arise in the forthcoming UMNO election, more sensational than the previous time when Musa Hitam and Tengku Razaleigh Hamzah vied with each other for the post of UMNO deputy chairmanship.

At present, although the election is still 1 month away, high-ranking UMNO leaders who are in the running are barnstorming all over the country in their efforts to win votes. This is a normal phenomenon of a political party election.

Politics tend to undergo a stormy and unstable situation in an unusual way. As the strength of the two contending factions is gradually becoming clear-cut, and although the leaders concerned have hinted an absence of room for compromise, this is by no means signifies that the current situation within the factious UMNO will remain unchanged prior to the party election in April. As a matter of fact, Deputy Prime Minister Ghafar Baba has not made known his official stand, and the opinions of UMNO's elder statesmen as well as certain controversial problems--all continue to make an impact on the two factional forces. Therefore, a new situation is likely to emerge within this month. Let us wait and see.

9300/12828  
CSO; 4205/16

IMPROVEMENT OF ECONOMIC SITUATION VIEWED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 28 Mar 87 p 23

[Editorial: "Vigorously Improve the Economic Situation"]

[Text] In his 1986 annual report published day before yesterday, Central Bank Governor Datuk Jafer Hussain asserted that this year's economic prospect is definitely better than last year, and the growth rate for exports is also more impressive.

Governor Hussain pointed out that our economic condition during the first 9 months last year was very bad, but the price and export volume of our primary products turned for the better beginning last October, which helped revive the economy. This was a development unexpected while we were drafting our national budget.

He also said that from November last year to February this year, there was an influx of foreign currency amounting to M\$4 billion from Hong Kong, Singapore, Australia and the United States, an indication of confidence of foreign investors in our country.

As a matter of fact, beginning this year, there has been an increase in price of our palm oil, petroleum, timber products and rubber. Judging by the present situation, the prices for these primary products will continue to be good in the next few months. Consequently, there is definitive basis for forecasting that this year's economic prospect is better than last year.

The 1986 Annual Report of the Central Bank maintains that the main driving force for our economic growth this year hinges on the benefits derived from our exports. Although there has been much improvement in our foreign trade during the past 20 years, price fluctuations of our primary products in world markets have continued to exert a crucial effect on the volume and production of these products, which has indirectly affected our national income and government revenues. This can be seen from last year's situation, when the primary products as a whole dropped by 25.2 percent in price, which caused a reduction of the national income by 7.3 percent, although we increased the export and production volumes of the commodities.

Whether the prices of our primary products can turn for the better is basically decided by the demand of consumers markets. The annual report predicts that there will be no marked improvement in the prices of primary products in the coming 12 to 18 months. This forecast is understandable. However, the economic situation in Europe and America has greatly improved, and this is an advantageous factor to foreign sales of our primary products.

Basically, we also agree that our country's economic growth this year depends largely on our export trade. So our primary task should be concentrated on strengthening the competitiveness of our products and promoting our exports.

In recent years, our national leaders have repeatedly stressed manufacturing industries by way of promoting our exports. It must be pointed out, however, that growth in the manufacturing industries depends on an active participation by the people. In recent years, participation by the private sector in this field of endeavor leaves much to be desired, mainly because they are not satisfied with the low efficiency of the government authorities in granting licenses for factory layouts and supply of utilities, as well as with the restrictions of the Industrial Coordination Law.

In addition, domestic businessmen cannot enjoy the same privileges as foreign firms in that the latter may hold 100 percent equity capital for producing commodities which have no local competition. This, to a certain degree, adversely affects domestic businessmen's interest to invest their money.

The economic condition of our neighboring country, Singapore, is improving day by day, its economic growth rate reaching 6 percent during the first quarter this year. This is mainly because the Singapore authorities are bold enough to tackle any problems as soon as they crop up, without delay. This method is worth learning.

To improve our national economic situation, we must create a favorable environment for absorbing foreign investment and encouraging domestic businessmen to invest more money here. We believe that as long as the authorities look at this problem squarely and overcome it, our economy will gradually turn for the better.

9300/12828  
CSO: 4205/16

## BRIEFS

GERAKAN PARTY CONVENTION--In reply to a reporter's question, Datuk Lim Keng Yaik, president of the Malaysian People's Movement [GERAKAN], indicated today that his party's convention may be postponed from the original schedule of 9-10 May to 6-7 June due to several reasons. This question will be resolved by the party's Central Committee after its meeting this coming Saturday. Datuk Lim listed three considerations from the postponement: 1) more than 20 delegates from Kelantan, who embrace the Islamic religion, have requested a postponement, because 9 May falls within the Muslim fasting period this year; 2) on 9 May GERAKAN party adviser Dr Lim Chong Eu will still be out of the country on business; 3) Prime Minister Dr Mahathir, who is keen in attending the forthcoming GERAKAN convention after missing its three previous congresses, will not be free on 9 May due to a prior commitment. Although Datuk Lim did not set a definite date for the delayed convention, it is generally assumed that it will take place on the first Saturday and Sunday after the Idul Fitri festivities, which fall on 6 and 7 June. [Text][Selangor SIN CHEW JIT POH MALAYSIA in Chinese 30 Mar 87 p 1] /9300/12828

TRADE DELEGATION TO PRC--A 22-member trade delegation, organized by the All-Malaysia Federation of Business Firms, left for China for a 15-day visit today. In a statement issued prior to its departure, the delegation leader and concurrently federation chairman, Tengku Mohammad, said that the party will visit four major cities in China, namely, Beijing, Dalian, Shanghai and Guangzhou. The purposes for making the trip are fourfold: 1) to promote direct trade relations between Malaysia and the PRC; 2) to promote the marketing of Malaysian manufactured and semimanufactured products in China; 3) to establish commercial relations between Malaysian manufacturers and Chinese trading enterprises; 4) to open up more commercial opportunities. The statement said that Malaysian commodities to be promoted in China's market include rubber products, plastics, electrical appliances and parts, chemical products, communications and mechanical equipment, construction materials, pepper, cocoa, marine products, tung oil, etc. [Excerpt] [Selangor SIN CHEW JIT POH MALAYSIA in Chinese 2 Apr 87 p 3]/9300/12828

CSO: 4205/16

## COLUMNIST SEES POSSIBLE U.S. SHIFT ON POLICY

Bangkok THE NATION in English 27 Apr 87 p 4

[Article by Suthichai Yoon]

[Text]

**T**HE argument sounds familiar enough: The Americans would say what they do with Vietnam is based purely on humanitarian and non-political grounds while the Japanese have been insisting that private companies couldn't really be told not to do business with Hanoi. ASEAN members, too, have had their own soul-searching to do: Singapore has just denied that it planned to refine oil from Vietnam.

But the humanitarian and business contacts by the US Government and Japanese trading firms appear to have gained magnitude recently. ASEAN may have to do some rethink on the issue and with Mikhail S. Gorbachev throwing his peace gestures all around in the region, even Ronald Reagan may have to do a bit of bending in Washington's stance toward Vietnam — if nothing else but to check the Soviet inroads into Asia.

No, Washington isn't "shifting" its stand by appointing Gen John W. Vessey Jr, a retired army officer and former chairman of the Joint Chiefs of Staff during 1982-85, as a special envoy to Vietnam. Neither is Japan abandoning its years-long policy not to have any economic dealings with Vietnam when a major trading firm, Nissho Iwai, signed the most comprehensive trade package with Hanoi recently.

But, ASEAN must by now have realized that the stalemate over Kampuchea which has brought about the soured relations with Vietnam cannot but be stained without some occasional hiccups from friendly nations like what we have witnessed lately. No doubt, both Japan and the US must have expected a common expression of concern from ASEAN on both scores. But they also knew that the standard responses would suffice.

What if the real reason behind the appointment of Gen Vessey as a special envoy to Vietnam is a global policy seen by Reagan or his close foreign policy aides as a move to counter Gorbachev's peace initiative in Asia and the Pacific and that ASEAN's concern may be viewed as a regional bloc's own issue which may or may not necessarily coincide with Washington's new set of priorities?

On the same token, what can any ASEAN country say when a Japanese Foreign Ministry official explained that Nissho Iwai had entered into the large-scale trade and aid agreement with Hanoi for no other reason except commercial consideration: Nissho Iwai simply wants to get back some of the money it had lost to Vietnam previously and that there is nothing political about its latest deal? The same response may be given if the question is raised in the near future as to why a few other major Japanese trading firms are also following the same path in Vietnam. This time around, Japan may even cite the strong yen as being the main reason for Japanese firms to set their sights offshore.

Domestic issues in the US and Japan are gaining momentum and foreign policy, which used to be in the forefront of a nation's relations with others, may have been sent to the backburner. Economic considerations have made their presence felt in a big way and Thailand had better be prepared for the future shape of things to come.

It is significant to note that Reagan's appointment of Gen Vessey as his personal envoy to Vietnam is no ordinary move. If the former US chairman of the joint chiefs-of-staff finally makes his visit to Hanoi, he will be the most senior US representative to visit that country since President Jimmy Carter despatched a special commission to Hanoi a decade ago.

Vessey's official mission is to show Hanoi that Washington is serious about the question of American servicemen missing in action in Vietnam and that it is a purely humanitarian move which should not involve any political linkage. ASEAN has not expressed any official concern over that move so far although it is being closely watched here. And nobody should be surprised if some informal enquiries have already been put across.

Bangkok-based diplomats have yet to come to a consensus on the latest developments on this front — and they perhaps will never reach one. But one interesting suggestion points to Washington's recent decision to permit broadened contacts with North Korea and the encouragement by Washington for the resumption of bilateral talks between South and North Korea. Earlier this year, Washington came up with another surprise when it opened formal ties with the People's Republic of Mongolia which is a Soviet satellite in Central Asia — after long years of firm refusal by the US to recognize that republic.

Whether Thai leaders and foreign policy planners want to admit it or not, the Soviet Union's recent diplomatic offensive to put up a smiling face at the non-communist Asian countries including Foreign Minister Eduard A. Shevardnadze's recent visit, has given Washington some rude awakening. ASEAN leaders may have concluded that Gorbachev's "Asia Initiative" platform has so far seen more talks than action but still gestures are at times as important as substance in a diplomatic demarche.

Washington may not be running scared, but it is beginning to run faster trying to catch up although it isn't quite sure about the direction. Japan's move may belong to a different category (with domestic economics coming into the political picture more often than its allies would like to see) but still, the crux of the issue remains more or less similar: ASEAN will have to produce its own version of a response to the Soviet Union's peace initiatives.

It is in this context that the upcoming visit to Moscow of Thai Foreign Minister ACM Siddhi Savetsila will be important to the overall scheme of things — not only to Moscow but also to Washington, Tokyo and all major capitals of the world. Where ASEAN stands at this juncture — on the global issues and not Kampuchea alone — will have to be made clear to all concerned.

The Thai government has yet to expound a clear-cut stand on this matter and so far, we have seen only a defensive posture — a cautious and 'What's new?' sort of response to the Soviet overtures. But if we look around seriously enough, the indications should be clear that things are slowly taking on a new shape and we can no longer afford to judge the new regional as well as the global environments from the old mind-set.

We don't necessarily have to over-react to the proposed project by the Japan Economic Research Centre to research on Northeast Asia to set up an economic zone which, according to one version, may incorporate Japan, China, South and North Korea, Taiwan, Hong Kong and Vietnam. But if some enterprising researchers, businessmen and intellectuals should begin to paint various scenarios of the new schemes of things to come in the future for this region, shouldn't we in Thailand start asking ourselves what we have been doing with our planning and imaginative capability in the regional and global contexts all these years?

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CSO: 4200/564

YEN LOAN BORROWING TARGET FROM JAPAN SET

Bangkok THE NATION in English 13 Apr 87 p 17

[Text] **T**HE Finance Ministry has sought to borrow 110,000 million yen under the 13th Yen Loan from the Japanese government with 2.5 per cent interest rate per annum. This was down from three per cent charged on previous annual yen loans.

A Japanese team is due to arrive here next month to discuss the ministry's request. The loan has been extended through the Overseas Economic Cooperation Fund.

Well-informed sources said that the government would ask for four programme loans accounting for 30 per cent of the total. They are for promotion of export, tourism, small-scale and medium-sized industries.

Thailand's borrowing under the Yen Loan mainly comprised of project loans. "We should borrow the funds based on the need for us to spend, not just what the Japanese government wants us to do," said the sources, pointing out that this would be another step in the development in the country's borrowing.

The Japanese team was due to arrive here this month but there would be a delay by one month.

The 12th Yen Loan amounted to 72,000 million yen. It has 10 years of grace period and repayment of 30 years.

The ministry will maintain the ceiling for foreign borrowing at US\$1,000 million for fiscal 1987, despite an improvement in the balance of trade and payments with an increase in the country's international reserves.

The ministry will continue to be cautious in fiscal management because it has to ease the debt servicing burden, said the sources.

During fiscal 1987, the ministry intends to refinance up to US\$1,000 million which is equivalent to 10 per cent of the total debt of US\$10 billion.

Under law, the country can refinance up to 25 per cent of the total, or US\$2,500 million.

So far, it has refinanced US\$350 million. "There is no need for the ministry to reach the refinancing target because it has to watch the market. It has to watch the country's debt to avoid a bunching in the future. Refinancing must be timely to avoid damage," they said.

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THAILAND

WEEKLY SEES HMONG AS ANTI-LPDR INSURGENTS, NOT REFUGEES

Bangkok KHAO PHISSET in Thai 25-31 Mar 87 p 6

[Editorial: "Thailand and the United States Hold Differing views on the Case Involving the Hmong Refugees; 'a Violation of Espionage Rights or Human Rights?'" ]

[Text] The United States has used the phrase "for human rights reasons" as an excuse to interfere with Thailand's refugee policy. Around the middle of March, Mr Robert L. Fanset, the acting director of the U.S. State Department's Refugee Program, praised the role played by the United States in helping the refugees. He said that the "help that we have given to refugees throughout the world is particularly praiseworthy." The reason is that the "United States has provided more than 25 percent of the annual budget used by the United Nations to help the more than 10 million refugees worldwide."

These statements by Mr Fanset contain an element of truth with respect to the humanitarian role played by the United States if we overlook the fact that the United States has played a major role in creating refugees in several regions of the world. We agree that the nations of the world should hold to humanitarian reasons. And at the same time, Thailand should not take any position that might damage the country's humanitarian character to the point where allies such as the United States become alarmed.

It seems that there is a great conflict between the "actual situation regarding the refugee problem" and Thailand's "humanitarianism." It cannot be denied that the United States has played a major role in Thailand's internal conflicts. We feel that the United States has overreacted in the case of Thailand's decision to expel 38 Hmong tribesmen to Laos.

Mr Fanset said that the American ambassador to Thailand has stressed that the "United States and the Hmong tribesmen have strong ties to each other." This seems to be a rather special relationship. Because at one time, the United States used this Lao hill tribe as a tool to kill other Lao and block the spread of communist influence in Laos. And during the past 10 years, there have been reports that Hmong tribesmen living along the Thai-Lao border have been looked after well by the United States. They have been looked after by the CIA and have carried out several important operations in the name of the "right-wing Lao movement."

In view of these "strong ties," the strong protest made by the spokesman for the U.S. Department of State, Mr Charles Redman, and the concern expressed by Mr Willian Brown, the U.S. ambassador to Thailand, to the deputy minister of foreign affairs about this matter make it seem as if the attitude of the United States is more one of "interference" than of "humanitarian reasons."

Recently, the director-general of the Lao Department of Intelligence, Ministry of Foreign Affairs, spoke about "sabotage and espionage" in Laos. He said that those involved in this are trying to damage relations between our two countries. At the same time, Mr Somphan Kokilanon, the deputy director-general of the Information Department, Ministry of Foreign Affairs, discussed the position of the Hmong tribesmen who were expelled to a safe area in Laos. He said that these tribesmen were "anti-LPDR insurgents," not "refugees."

It's possible that Thailand violated the human rights of these people as claimed by Mr Charles Redman. But it should not be forgotten that those "refugees," about whom the U.S. government has criticized Thailand, fled here carrying AK-47 rifles.

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CSO: 4207/183

## THAILAND

### COLUMNIST WANTS CONCILIATORY STANCE TOWARD LAOS

Bangkok DAILY NEWS in Thai 4 Apr 87 p 2

[Around the World column by Trairat Sunthonpraphat: "A Neighbor"]

[Text] Mr Souban Saritthirat, the Lao deputy minister of foreign affairs, has returned to Vientiane, leaving behind incomprehension and the feeling that Laos was not really interested in seeking peace or cooperating on various fronts. Instead, he insulted Thailand in Bangkok and took a tough line with Thailand. He acted like some big-shot whose job was to attack Thailand. His actions violated diplomatic courtesy. But it's good that we know how Laos feels about Thailand. It's good that we know to what extent Laos has been brainwashed by Vietnam and Heng Samrin.

I feel sorry for Laos. Thailand once used a strong policy and forced Laos to crawl to us. We became overconfident and viewed Laos as a landlocked country with no access to the sea. Moreover, the economies of both Vietnam and the PRK were very bad. We did not think that they could give Laos any help. We felt that if we put great pressure on Laos, Laos would collapse or turn back to us in order to survive economically. Thus, Thailand looked down on and exerted great pressure on Laos just after the revolution to seize power from the pro-Western faction. Because of this, Laos had to rely on Vietnam and Heng Samrin for support. It needed them as allies, and it gained support from the Soviet Union. More than 50,000 Vietnamese soldiers were sent to Laos in order to protect Laos from pro-Thai elements. Reports stated that Thailand backed certain hill tribes and former Lao power groups in their attempt to topple the pro-Vietnamese Lao government.

As for the three villages located along the Uttaradit border, this should not be a problem. Because normally, people rarely go there. But when the dispute arose, Thailand claimed that this area belonged to Thailand. It sent troops there even though there is nothing there to defend. As for the Suranari celebrations, that is Thailand's affair. We have been doing this for a long time. This is not meant to humiliate Laos. Rather, this is meant to honor Thai women who dared to fight and sacrifice themselves when the country was invaded. The only problem was that the celebrations were held at the time of the visit by the Lao representative.

Laos is in effect threatening Thailand, saying that it is building a road to Vietnam and that it is negotiating with Heng Samrin about using the Mekong River as a route to the sea. If that happens, Laos will no longer be dependent on Thailand economically. That is a good way out for Laos. But Laos stands to benefit greatly from associating with Thailand. The important thing is that it won't have to be Vietnam's slave. Thailand and Laos are like brothers. We are bound together like tongue and lips.

Even if Laos has roads to Vietnam and a river route to the sea through Cambodia, what can Laos gain from Vietnam and Cambodia in view of the fact that Vietnam and Cambodia are no better off than Laos? At the same time, Thailand has done much to hurt Laos. We should do something to correct our mistakes. There are many people who have bad intentions toward us. If we can improve relations with Laos, let's do so now.

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CSO: 4207/193

THAILAND

PRK BORDER LOSSES, DAM CONSTRUCTION

Bangkok KHAO PHISSET in Thai 25-31 Mar 87 pp 26-28

[Unattributed report: "The D-9 Operation, 17 Dead at Chong Bok, a Hellish Battlefield"]

[Excerpts] "When I was digging the bunker, the Vietnamese were only 500 meters away. I laid my helmet down on the ground and concentrated on digging the bunker. A moment later, one of the Vietnamese ran up. He did not have a rifle. He ran up and snatched my helmet. He stole my helmet right in front of me. I shouted at those with me to fire at him. One of them fired an M-79 round. But the range was too short. The round failed to explode. The round fell in back of him and rolled away. When he fell, I ran up and grabbed my helmet. I was afraid of losing my helmet, because my I would have been fined for losing it. I grabbed my helmet. But they cheered when they saw that the round that we had fired failed to explode. But when they fired at us, all of their shells exploded."

A thahan phran irregular who had been sent to help hold the line at Ban Lat and Ban Bannae in Ubon Ratchathani Province said this to KHAO PHISSET before the army took reporters on a 2-3 day inspection trip along the front lines in Ubon Ratchathani Province. This same thahan phran irregular also said that besides using regular forces to clear the area, thakan phran irregulars from all the regiments and battalions in the 2d Army Region have been mobilized to participate in this operation. There has frequently been hand-to-hand fighting. Sadly, he stated quite clearly that the Thai forces have suffered more than 100 casualties since being sent to the front in February 1987. There have been no reports about this.

This patriotic thahan phran irregular said that there have been battles in which the thahan phran irregular company has been decimated. That is, only 12 of the 80 men have emerged unhurt. So far, three company commanders have been killed. Two of these were graduates of the Chulachomklao Royal Military Academy [CRMA], and one was a non-commissioned officer. The Ubon Ratchathani hospital is overflowing with wounded soldiers. Even though many units of thahan phran irregulars from the Pak Thong Chai headquarters have been sent to provide reinforcements, the situation still doesn't look good.

## Bloody Season at Chong Bok, a Terrible Situation

Even though Thailand has great self-defense capabilities, this dry season has been such a bloody period that the army has had to reveal the truth about the danger and about Thai losses. On 21 March 1987, several dozen reporters were taken to Chong Bok, a hellish battlefield where the smoke of war was everywhere.

Chong Bok is located at the tri-border area where Thailand, Cambodia, and Laos converge. The terrain here is one of steep mountains and mountain passes through which Khmer coalition forces frequently retreat into Thailand. Now Vietnamese forces are moving through these passes to seize the hills in this area and engage Thai forces in battle.

Some of the strategic areas that the enemy frequently infiltrates are the Chong Obok area in Khun Han District, Sisakat Province, the Chong Chom area in Kap Choeng District, Surin Province, the Chong Mek area in Ubon Ratchathani Province, and the Chong Bok area in Nam Yun District, Ubon Ratchathani Province.

As for the present situation at Chong Bok, Vietnamese forces have penetrated about 2 km into Thailand and are trying to alter the terrain in preparation for repelling Thai efforts to dislodge them. During the period that reporters observed things there, Col Thawisak Ruangphong, the deputy chief of staff of the Suranari Force, confirmed that the "2d Army Region and the Suranari force will definitely not allow foreign forces to remain inside Thailand. We will quickly force them out of Thailand."

## The D-9 Operation, Thailand Loses 17 Men

Col Thawisak disclosed that three or four Vietnamese battalions of 500-800 men each from the 733d Regiment, 315th Division, invaded Thailand this time. The headquarters of these forces is located 1-2 km across the border inside Cambodia. After penetrating 1 km into Thailand, the Vietnamese forces separated into companies in an attempt to penetrate 3-4 km into Thailand. It is estimated that each of these companies has no more than 40-50 men.

This incursion and the seizure of several strategic hills forced Thailand to launch the D-9 Operation. This got underway around the middle of January 1987. Thailand launched this operation in order to expel the Vietnamese forces. The Suranari Force is the main Thai unit. This unit is being supported by elements from the 22d Thahan Phran Irregular Regiment. The 6th Artillery Regiment is providing fire support to destroy the enemy positions.

In this operation to dislodge the Vietnamese and recapture the hills, to date, 17 Thai soldiers have been killed and 60-70 have been wounded. These figures show the seriousness of the situation.

Col Thawisak said that the strategic area around Chong Bok is composed of hills 396, 382, 408, 500, 469, 495, 497, 375, and other hills. So far, Thailand has recaptured two of the hills, hills 396 and 382. We are now trying

to recapture hills 408 and 500. The Vietnamese forces are pulling back, and our forces are clearing the area.

Gen Chawalit said that after the area has been cleared of foreign forces, two dams, the Chanra and Phran Sua dams, will be built in this border area in accord with the royal program. This will help increase security in this area. Gen Chawalit feels that these two dams will help provide the people here with an adequate supply of water and serve as a good defense line.

A news report informed KHAO PHISSET that it will take 4-5 years to build these dams. So far, only surveys have been made. The person who has been put in charge of this is Gen Phichit Kunlawanit, the assistant RTA CINC. These two dams will use 50,000 rai of land. The hills will be used to dam up the water to the tops of the hills. Thus, it will be possible to store a huge amount of water.

Maj Gen Phaibun Hongsinlak, the deputy commander of the 2d Army Region, talked with KHAO PHISSET about the village development program in this border battlefield area. He said that according to the development line, the first group of people to settle here will be thahan phran irregulars or Border Patrol Police. This is because these people can carry on defensive operations in conjunction with developing the area.

#### Conclusion

Vietnam regularly carries on dry-season operations. But the fact that over 100 Thai soldiers have been killed or wounded in this particular operation shows that Vietnam violated Thailand's sovereignty intentionally. As for Thailand, there have been many lessons concerning fighting along this border. But strangely, the casualty figures are still very high. And it is uncertain whether Thailand will have to suffer more casualties before the fighting in the Chong Bok area ceases at the end of March.

An observer in the area said that the strategy of developing these strategic points may be based on the hope that this area will someday be safe. The important thing is that before we reach that point, we must do something to hold the line in the dry season and reduce the number of casualties.

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CSO: 4207/184

## TRADE WITH AUSTRALIA EXPECTED TO INCREASE

Bangkok BANGKOK POST in English 22 Apr 87 p 13

[Article by Artcha Boongrapu]

[Text]

THE value of Thai-Australian trade is expected to rise from the present A\$330 million to A\$500 million by the end of next year, according the visiting New South Wales Minister for Industry and Small Business and Energy and Technology Peter Cox.

In an exclusive interview with the *Bangkok Post* yesterday, he said that after the current mission, which he leads and is the second of its kind, he can confidently predict a growing trade relation between the two countries.

Asked about the main objectives of this mission, he said they are to encourage Australian businesses to see opportunities on trade and joint ventures in Thailand and Thais to see trade opportunities in Australia.

"In other words, our purposes are to familiarise Australian businesses with the types of opportunities that exist in Thailand and to urge them to make contacts. These purposes have been achieved," Mr Cox noted. "We have had extensive talks with the Electricity Generating Authority of Thailand and extended an open invitation for EGAT officials to visit New South Wales to inspect our coal deposits, power transmission projects and other civil engineering works."

He added that New South Wales welcomes all trade delegations from Thailand.

While here, he also met Industry Minister Pramual Sapavas, Deputy Communications Minister Suraphan Chinawat and Bangkok Governor Maj-Gen Chamlong Srimuang.

Mr Cox said Mr Pramual was very cooperative and promised to encourage Thai-Australian industrial joint ventures.

The Australian firms which are very keen to meet potential Thai partners for joint ventures are Trans-

field Pty (transmission lines and civil engineering works), Boral Cyclone Ltd (agricultural products) and BHP Engineering Co (construction).

Mr Cox discussed the State Railway of Thailand's railway project with Mr Suraphan.

"Commonwealth Engineering Co (Comeng), which will also join the project bidding, has the capacity to compete with any overseas train manufacturer. Comeng won most of the rail project contracts in New South Wales which recently spent about A\$1,500 million on railways systems," he said.

During his meeting with Maj-Gen Chamlong, Mr Cox proposed to create a city tie between Bangkok and Sydney. This means an established long-term relationship between the Bangkok Metropolitan Administration and the State of New South Wales and its cities. The benefits that both sides will receive are in terms of friendship, expertise sharing and cultural exchanges, among others.

Maj-Gen Chamlong agreed in principle to the proposal.

"I also raised the question of encouraging more Thai students to further their education in Australia. On my return, I will report to New South Wales's Premier Barrie Unsworth and discuss with him ways and means to provide more facilities for Thai students," Mr Cox said. "I also expect more than 100,000 Australian tourists to visit Thailand this year. I see Australia as belonging to this region. Our ties with the UK will not be as strong as with this region."

On Monday, a seminar on "How to trade with Australia" was held at the

Department of Export Promotion and attended by 300 people, much more than anticipated.

Asked what Thai products could be successful in Australia, Mr Cox said Australia has relaxed its tariffs on textiles, garments, and footwear from Thailand. He added that Australia would like to export fruits to Thailand, which will not compete with local fruits as they would arrive mainly in off-season periods.

He also said he is launching a "Small Business Train" which is a mobile business information office and will stop at every major town and city in New South Wales to give information to local people on how to set up small businesses.

He noted that Thai government agencies are welcome to make use of the space in the train to distribute leaflets on tourist activities or products available in Thailand.



COMMERCE OFFICIALS SATISFIED WITH EC GARMENT ACCORD

Bangkok THE NATION in English 14 Apr 87 p 25

[Text] **COMMERCE Ministry officials are satisfied with the agreement reached with the European Community (EC) in which they accepted the inclusion of certain types of garment previously outside the quota into the general quota under the new Harmonized System.**

Under the agreement the quota of garment products in Category 4, set at 500,000 pieces annually in the previous Harmonized System, will increase to more than four million pieces in 1987 with an annual growth rate of five per cent.

The negotiations on Category 5 will take place next month, Director General of the Foreign Trade Department Oranuj Osathananda told *The Nation* over the weekend.

The EC has adopted the new Harmonized System for garment imports claiming that the change will help simplify the categorizing process and modify those where there have been difficulties in applying the quota system.

The change takes account of the guiding principles adopted by the EC by aiming at a more liberal textile policy. The agreement reached in the Category 4 with Thailand concluded on April 11 in Brussels was a clear reflection of this policy, sources said.

Thai officials expressed confidence that EC's policy in liberalizing its textile trade will also be applied when negotiations on Category 5 starts next month.

The agreement on Category 4 will see the inclusion of previous non-quota garment types in the quota of Section 82. They are under garments other than those of children, knitted or crocheted not elastic or rubberized or of wool, of fine animal hair or of regenerated textile fibres.

Items previously specified in Section 82 included shirts, T-shirts, lightweight fine knit roll, polo or turtle-neck jumpers and pullovers, undervests and the like, knitted or crocheted.

Likewise, non-quota items were added to Section 83. They are outer garment and clothing accessories knitted or crocheted, not elastic or rubberized. Items already specified in this section are shirts, T-shirts, lightweight fine knit roll, polo or turtle-neck, jumpers and pullovers, undervests and the like knitted or crocheted, not elastic or rubberized.

The exact new quota given under the agreement on Category 4 is 4,017,690 pieces or about 620 tons.

Thailand exported 1,670,773 pieces under the previous Harmonized System under Sections 82 and 83 of Category 4 in 1985 but the total export volume reached 6,116,446 pieces last year for these non-quota items defined according to the new Harmonized System.

Oranuj expressed satisfaction over the agreement as the negotiations, which began in the middle of last year, were based on the figures for the middle of 1985 when the

export volume was low.

The so-called "consultation" with the EC was to adjust the records and use new sets of figures.

EC, meanwhile, has asked for postponement of the talks on Category 5 because the export volume was much greater than Category 4. Thailand exported 550,000 pieces under Category 5 to the EC in 1985 but the volume reached 2.3 million pieces or four times more in 1986. They were non-quota items then.

Oranuj said the Foreign Trade Department was trying to negotiate for a reasonable export volume in the quota speedily so that exporters can receive the quota allocation.

Textile and garment exports have topped the foreign exchange earning for Thailand replacing rice since 1986. Total export value of textile and garment is expected to be more than 30,000 million baht this year.

The Business Economics Department has forecast that the total export value of textile and garment this year will be 35,590 million baht of which 23,190 million baht will be garments and 12,400 million will be textile products including fibre.

Rice exports this year are expected to reach 4.3 million tons worth about 20,000 million baht.

President of the Thai Garment Manufacturers Association Viroj Amatakulchai previously expressed caution over the original quota target for Category 4 but he was not available for comment on the agreement.

Before the new Harmonized System was introduced, Thailand exported items equivalent to Category 4 of 10,137,000 pieces in 1986. The quota set under the new system was 11,150,000 pieces or an increase of just 1,013,000 pieces. Exports of items in Sections 82 and 83, which were not in the quota before, amounted to 6,116,446 pieces.

Thailand faced disadvantage because the country received an increase of about one million pieces

under the quota but lost about six million pieces, analysts said.

Exports equivalent to Category 5 were 7,711,000 pieces in 1986 but the new system limited the quota to just 8,400,000 pieces representing an increase of about 689,000 pieces. Again Thailand was not getting the better part of the deal since exports of non-quota items which were placed in Category 5 amounted to 2.3 million pieces last year.

Deputy Director General of the Foreign Trade Department Pongtien Payakniti said after he returned from Brussels yesterday that the Thai team had done its best to conclude a deal favourable to the country because the EC is expected to impose greater restrictions in the future.

His comment ran counter to EC's insistence that the European economic block was aiming to liberalize its textile policy.

Pongtien said that without a quick conclusion to the negotiations Thailand could face possible shortage of export quotas.

Thailand earlier asked the EC to postpone the Harmonized System for a year because the country was not prepared to handle the new system, sources said.

Pongtien said Thai officials have been sent for training on the Harmonized System and similar training would have to be provided to Thai exporters to familiarize themselves with the new system.

He said textile and garment exports to the EC aren't easy but the government hopes that more could be exported. The EC has informed the Thai side that this country is performing well in its markets but warned that it should not aim to become the "best."

The agreement on Category 4 takes effect immediately and Pongtien said the deal reflected the understanding EC has towards Thailand and certain sympathy that allowed for a quota increase in cases where the amount set previously was too small.

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CSO: 4200/564

## INCREASE IN FOREIGN RESERVES REPORTED

Bangkok THE NATION in English 24 Apr 87 p 25

[Text]

DURING the first three months of the year, the official foreign exchange reserve increased by more than US\$400 million to US\$ 4,202.4 million or an equivalent value of five-month imports, the Bank of Thailand reported yesterday.

The reserve at the end of March was US\$426 million higher than the outstanding at the end of December 1986 and could be attributed to increased earnings from exports, tourism and adjustment by commercial banks to reduce their net holdings of foreign assets to 20 per cent of their capital funds.

The first quarter foreign trade indicators were generally favourable. The balance of payments registered a surplus of about 7,700 million baht and there was a current account surplus of 1,500 million baht. Higher earnings from tourism resulted in a surplus on the service account of 9,000 million baht.

However, there was a balance of trade deficit of 7,500 million baht which was 130.3 per cent higher than in the same period last year. This could be attributed to import growth of 19 per cent compared to a decline of nine per cent during January-March 1986.

A central bank spokesman said the first quarter's performance was in line with prediction. Exports grew by 12.7 per cent to amount to total earnings of 63,200 million baht. The principal export items did exceptionally well.

Exports of natural rubber rose by 33 per cent, tapioca by 17 per cent, fresh shrimp by 31 per cent and textiles and garments by a hefty 42 per cent.

Other exports registered an average growth of 20 per cent. Exports of ornaments rose by 71 per cent, canned marine products 38 per cent, wood products 37 per cent, plastic products 50 per cent, shoes 67 per cent, frozen chicken 31 per cent and frozen fish and squid 42 per cent.

The domestic economic recovery helped to boost imports which reached 70,700 million baht during the first three months of this year. Imports of non-oil products such as raw materials and consumer goods rose by 25 per cent. Import of oil products declined by about six per cent.

The current account declined by 58.6 per cent to 1,500 million baht. The balance of payment surplus declined slightly from 8,905 million baht to 7,651 million baht.

Net capital inflow rose by 1.3 per cent to 4,100 million baht of which 3,000 million baht belonged to the private sector. Total private sector capital inflow was 7,531 million baht but offset by the public sector capital outflow of 3,484 million baht.

**Tax Collection**

On the fiscal side, the Finance Ministry announced that the Revenue Department's tax collection during the first six months of the current fiscal year rose by 8.43 per cent to 30,811.66 million baht still 7.94 per cent below the target.

The collection by the Excise Department rose by 47.72 per cent to 29,591 million baht which is 1.3 per cent above the target. The figure rose significantly in March due to whisky royalty payment of 1,577.5 million baht.

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CSO: 4200/564

## THAILAND

### OFFICERS COMMENT ON PLANS FOR ELECTRONIC WARFARE

Bangkok KHAO PHISET In Thai 18-24 Feb 87 p 11

[Unattributed report: "An Electronic Weapons Company, a Distant Dream of the Military"]

[Text] Even though military scholars claim that the most important thing in waging war is to attack the enemy's strategy, or force the enemy to surrender without having to fight, and that this is a sign of great skill, it is still essential to make preparations and have a full complement of weapons.

The Directorate of Joint Communications and the Directorate of Joint Operations once formulated a plan to "establish an electronic weapons company." They proposed this about 3 years ago. But this was rejected during the time that Gen Athit Kamlangek served as supreme commander. But now this idea has been revived. Supreme Command Headquarters has filed a motion to increase the 1987 budget by 300 million baht. It claims that it will establish an electronic weapons company in order to wage electronic warfare and coordinate things between the services more efficiently.

As for the communications equipment that will be used in waging electronic warfare and that must be procured first, a lieutenant colonel told KHAO PHISET:

1. Jamming equipment is a communications tool with a high degree of technological development. This equipment can jam the frequencies of the enemy when they try to locate our position. At the same time, this tool can be used to locate enemy troop positions.
2. Anti-ballistics equipment can be used to block enemy missiles by electronic means. If we can intercept the enemy's signals, we can determine the position and speed of the missiles fired. If the enemy fires a guided missile, this type of tool can be used to alter the course of the missile. England made effective use of this type of equipment in the Falklands War. However, to make effective use of this equipment, it must be operated by specialists who are well-trained in its use.
3. Short-range vibration detection equipment can be used to detect movement at short ranges. In waging electronic warfare, the enemy may send drone

aircraft over our positions at altitudes too low to be detected by radar and bomb our positions. This equipment can be used to provide a warning signal. This will give us a chance to respond by launching an air attack.

However, Lt Gen Thian Chonmaitri, the director of joint communications, told KHAO PHISET that this program has been "kept in the drawer" for a long time because of the lack of funds. He does not know if any progress will be made in the "electronic weapons company" program, because the 300 million baht for this "has not yet been approved."

A former chief of staff who is now serving as a military advisor said that this "electronic warfare company" will be a "counter company" that is equipped with modern technology and that has high electronic capabilities. This represents another step forward in the development of the weapons used by the Thai military. "Today, other countries use computers to control combat. Firing does not require pilots. This is like a computer war game."

"All we need at the present time is equipment to counter and control things. Our present radio system is very outdated. We lack tubes and other parts. I don't know what new systems other countries are using," said an operations official in the Directorate of Joint Communications about the outdated equipment used by the Thai military. He also said that the chances of establishing this electronic weapons company at the present time are about fifty-fifty.

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CSO: 4207/183

## THAILAND

### RTAF ASSISTANT CHIEF OF STAFF FOR OPERATIONS PROFILED

Bangkok DAILY NEWS in Thai 23 Mar 87 p 5

[DAILY NEWS Square column by Nanthana: "Air Marshal Anan Klintha, the assistant RTAF chief of staff for operations"]

[Text] Air Marshal Anan Klintha, the assistant RTAF chief of staff for operations, was born on 19 June 1933 in Bangkok Metropolitan. His father is Prachak Klintha, and his mother is Sanguan Klintha. He graduated from upper secondary school at Triem Udom Suksa in 1952. In 1953, the air force established the RTAF Academy and accepted 31 cadets as members of Class 1. He was one of those chosen to attend the academy. After completing his second year at the academy, he received an RTAF scholarship to attend the air force academy in England in 1958. In 1959 he took flight training. In 1961 he was assigned to the 22d Squadron, 2d Wing. He also served as a pilot with the 3d Flight, 63d Squadron, 6th Wing. Later on, he was assigned to the Operations Division of the Tactical Air Command. He served as an air controller with the Combined Operations Section, Tactical Air Command, in 1963 and as a flight instructor at the Flight Training School in 1965. He also served as a jet pilot. Later on, he served as a jet aircraft flight instructor. Following that, he served with RTAF headquarters, Wing 6, the Directorate of Education and Training, the Directorate of Intelligence, the Tactical Air Command, and the Directorate of Operations. He is now serving at RTAF Headquarters again.

The important positions that he has held include the following: In 1975 he was the deputy chief of the Planning Section, Operations Division, Tactical Air Command. In 1976 he was the deputy director of the Policy and Planning Division, Directorate of Operations. In 1979 he was appointed assistant RTAF attache in Jakarta. In 1982 was made deputy director of the Directorate of Operations. In 1983 he served as chief of staff of the Directorate of Operations Control. Since 1986, he has been the RTAF assistant chief of staff for operations.

As for rank, in 1960 he was commissioned a pilot officer. In 1961 he was promoted to flying officer. In 1964 he was promoted to flight lieutenant. He was promoted to squadron leader, wing commander, group captain, and senior group captain in 1968, 1973, 1976, and 1979 respectively. In 1983 he was promoted to air vice marshal, and in 1986 he was promoted to air marshal.

Education: In 1958 he graduated from the air force academy in England. In 1970 he graduated from the Squadron Officers School at Maxwell AFB in Alabama. In 1971 he graduated from the Air Command and Staff College as a member of Class 15. In 1977 he graduated from the Armed Forces Staff College as a member of Class 19. In 1982 he graduated from the Air War College as a member of Class 17. In 1986 he graduated from the National Defense College as a member of Class 28.

He is married to Suraphi Klintha. They have three children. Miss Aphichada Klintha and Miss Aphisara Klintha are students at Triem Udom Suksa. Their son, Phatrachon Klintha, attends the Phetcharat School.

Special government duties: In 1962 he served as a combat report officer with Combat Planning Division 507. In 1969 he served with the UN forces in Korea. In 1972 he served as a liaison officer with the 1st RTAF Liaison Team in Ratburi. In 1973 he served as a fighter operations officer in the Khmer Republic. In 1975 he commanded the Nakhon Phanom air base and was awarded the Isariyaphon medal. In 1985 he was awarded the Prathamaphon Monkut Thai medal.

11943

CSO: 4207/193

RTAF SHORT OF CASH TO REPLACE CRASHED JETS

Bangkok THE NATION in English 18 Apr 87 p 2

[Text]

THE Royal Thai Air Force (RTAF) said yesterday that it needs three jet-fighters and a trainer jet to replace the four jets that crashed last month in its worst single-day loss.

RTAF Commander-in-Chief ACM Praphan Dhupatemiya, however, said that the air force did not have the money to buy new jets.

Speaking to reporters at the Parliament, the air force chief said the RTAF lost four F-5E jet-fighters in two separate accidents. Three of the jets smashed into a hill while en route to a demonstration marking the RTAF anniversary March 27. The air force also lost a T-37C trainer jet which crash-landed near the Don Muang Airport on the same day.

"We hope we can find money to purchase the same type of jets because the prices are relatively cheap and their combat capability is up to the standard," he said.

Each F-5E jet costs about 14 million baht.

Praphan said that the air force was also short of trainer jets, although it took delivery a couple of days ago of two B5 trainer planes costing US\$300,000 each from the United States.

He said RTAF cannot afford to buy F-5 trainer jets for the time being because they are too expensive.

"I'd like to tell you that we have tried our best not to bother others and we have been trying to delay low-priority projects, but please be sympathetic with us. In some cases, we do need to spend money," he said.

The air force chief also confirmed a *Nation* report that RTAF had decided to purchase a number of T-37 anti-aircraft artillery guns from China.

He said that the air force reported the decision earlier this month to Defence Minister ACM Panieng Kantarat, who would ask for the final Cabinet approval.

"We are still waiting for the approval, but I don't see any problem," he said.

ACM Praphan said that the air force has allocated about 300 million baht for the purchase.

RTAF sources told *The Nation* that the deal would involve about 30 twin-barrelled anti-aircraft artillery guns and five units of fire control radar.

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CSO: 4200/564



DETAILS OF CPT ARRESTS, WHO'S WHO

Bangkok THE NATION in English 26 Apr 87 p 9

[Article by Sompong Kittinaradorn]

[Text]

***A total of 18 communist suspects were arrested early last week in a major swoop which dealt a severe blow to the Communist Party of Thailand (CPT). Sompong Kittinaradorn relates here how the secret operation was shaped up and carried out.***

**S**UNDAY night April 19, at about 7 pm, an informant gave the authorities an important tip-off: a large group of top communist leaders were huddling inside two bungalows at a seaside resort in Bangsaen. Such a rare meeting would not take long and the top-brass communists would probably split Monday or Tuesday, the authorities were told. They were aware that they had to race against time lest they miss the best windfall in years.

A team of officials disguising themselves as tourists travelled from Bangkok to Bangsaen Monday morning to double-check the tip-off. They wanted to make sure that they were not being fooled.

The officials located what was reported to be the secret rendezvous of the top communist leaders at about 11 am and spotted a Volvo and a Peugeot 504 parked at two bungalows. They did not get too close to the suspects for

fear that this would scare them off. The sighting of the two sedans and a checking of their registration numbers, however, convinced the officials that the tip-off cannot be taken lightly.

After lunch in the tourist resort, most of the team rushed back to their offices in the capital but some were left behind to tail the seven suspects.

Monday night, the informer was called to a meeting where he was questioned on every detail of the conference going on. The debriefing had to be held at night due to some inconveniences.

The tough questioning which started at about 7 pm convinced the authorities of the accuracy of the tip-off and provided them with details necessary for their operation. A meeting of key officers representing related agencies, including the Special Branch Division of the Police Department, the Internal Security Operations Centre, and the Armed Forces' Security Cen-

tre was hastily called to discuss what should be done.

The officers carrying the rank of major general for the men in uniform and a C-8 or C-9 level for civil servants took only about half an hour to debate on the issue. They saw eye to eye that the government should seize the golden opportunity to swoop on the suspects. This despite a concern raised in the meeting on its political implication: the major haul may draw criticism that the government cooked it up to divert public attention from the reports that government and army lobbyists were sabotaging the opposition plan to grill Prime Minister Prem Tinsulanonda and his Cabinet.

The meeting quickly shot down the concern on grounds that security considerations must take precedence over political considerations. They agreed that they would put forwards a proposal for the arrest to their superiors at the top. If the superiors turned down the proposal for whatever reasons, the authorities had at least put a "professional proposal" to them.

**I**MMEDIATELY after the meeting, the authorities started working out a report on the issue and the operation plan. They finalized and filed the report at about 10 pm to Interior Minister Gen Prachuab Suntrangkoon and Army Commander-in-Chief Gen Chavalit Yongchaiyudh in his capacity as deputy general director of communist suppression. The officials got the approval for the arrest at about 11 pm late Monday night.

The whole morning the next day was wasted on preparations which involved a lot of paperwork and procedural

red-tape. The knowledgeable authorities did not know then when the seven communist suspects would wound up the meeting and leave their secret rendezvous.

At about 1 pm, the preparations were finalized and the team comprising about 20 officials from the Special Branch Division and other related agencies rushed out of the capital in three sedans and a pick-up truck, heading for Bangsaen to raid the suspects' bungalows.

The Special Branch Division officials were clad in white T-shirts for the operation and the pick-up truck was prepared for the transportation of the suspects back to Bangkok.

In the meantime, the authorities tailing the suspects flashed a message to the raid team that the seven suspects had wrapped up their meeting at about noon and were making preparations to leave the bungalows.

The suspects left in the two automobiles and used separate routes to the capital. Alleged politburo members Prachuab Ruangrat, Nop Prasertsom and central committee member Vibul Jenchaiwat were seated in the Volvo driven by Chidchanok Sophonphan, alleged to be a close aide of alleged politburo member Vaithoon Sinthuvanich. The Volvo moved southwards to Bangsaen and then turned back northwards to Chonburi while the Peugeot headed towards Angsila on a separate

route.

Obviously, the two vehicles took separate routes so that they would not travel towards Bangkok at the same time. The other three suspects: Vaithoon, alleged politburo member Sin Termlim and alleged central committee member Chamnarn Ban-chongkliang, alias Chao Pong-sunthornsathit were in the Peugeot.

The authorities' cars met the suspects' vehicles at about 3 pm on the highway between Chonburi and Bangpakong District of Chachoengsao. The officials' cars turned back and chased the two speeding vehicles.

The police team leader, Pol Col Panya Sathonpanich, decided at the crucial moment that highway police had to be brought into the arrest operation at the last minute; otherwise it would become futile.

The section chief of the Special Branch radioed to the highway police based along the Chonburi-Bangpakong Highway for help. Thanks to his past service in the Highway Police Division, the highway police swiftly acted on the request although they had no knowledge about the operation but for the order that the suspects must be stopped and arrested. Minutes afterwards, a number of police cars pulled out of the check-point nearest to the suspects' automobiles, their sirens blaring out along the highway while they were after the

suspects.

**A**BOUT 3.20 pm, the highway-police cars overtook the Volvo and the Peugeot, which were about 10 kms apart, and intercepted them. The suspects were calm and did not put up any resistance.

The seven communist suspects were later taken to Bangkok.

At the detention centres in Bangkok, officials in charge fought an ideological battle with the suspects to persuade them to renounce their objective of overthrowing the government through underground and subversive activities.

"Communism does not suit the Thai circumstances and things are getting better gradually. Why don't you and your colleagues come out and join hands with us to make contributions to the country." "If you cooperate with us, we will give you lenient treatment." So were the suspects told in the intense lobbying.

Six of them stood firm and kept quiet but the last one finally broke down after four hours of ideological debate with the authorities. He revealed the city hide-outs of party cadres, including two alleged central committee members, at about 10 pm Tuesday night. Earlier in the night, he had revealed the residence of Onsri Intawuthichai, the wife of alleged politburo member Nop Prasertsom. The broadcast of the arrest news reportedly alerted the female suspect who waited until late that night to leave her house. She was nabbed by the officials who had staked the house waiting for her to come out.

At about 3 am Wednesday morning, nine police teams raided what were suspected to be the hide-outs of other senior communist members in the city. They rounded up eight others including Prasert Thaonthongchai and Nok Bunyodom, alleged to be members of the CPT's central committee. Police later nabbed two other suspects.

#### Urban Strategy Derailed

**T**HE massive haul of 18 communist suspects early last week once again frustrated the serious attempt by the outlawed Communist Party of Thailand (CPT) to realize its new strategy of promoting underground activities in the capital and other urban areas, official analysts told *The Nation*.

The CPT's first serious attempt to infiltrate the capital and the urban areas was detected not long after the so-called Fourth Party Congress adopted a resolution to shift the emphasis from the armed struggle in the remote and rural areas to "political and other forms of struggles" in the urban areas five years ago. The CPT leadership had assigned a group of senior members, including six alleged central committee members, to step up the propaganda work in the urban areas to recruit more sympathisers and members. These groups of high-ranking operatives were however nabbed in a massive swoop which rounded up a total of 23 communist suspects on July 3, 1984. The six alleged central committee members were Manoch Methangkul, Saiyud Tapan-sith, Sa-nguan Thipsing,

Prasong Arunsantiroch, Pirun Chatvanichkul and Mrs Cholthira Sattayawattana. The Prosecution Department had decided against filing communist charges against Mrs Cholthira and Saiyud for lack of evidence while the other suspects are standing trial at the Military Court.

The official analysts said that the senior communist suspects nabbed in the swoop on Tuesday and Wednesday had been assigned the work which the captives should have been doing had they not been arrested three years ago.

Chamnarn Banchongkhang, for example, has been assigned to take over the urban responsibility from Arun Santiroj, who was arrested in the 1984 swoop. Sin Termlim, an alleged politburo member, has also reportedly replaced Prasit Thiensiri, who was well experienced in working with labourers before he died of a serious ailment on March 5, last year. Sin had been reportedly shuttling in and out of the capital frequently before the arrest.

Vaithoon Sinthuwanich, another alleged politburo member arrested last Tuesday, is a graduate of Thammasat University and has been regarded as CPT's asset in its attempt to promote the activities to drum up support from the intellectuals and student activists.

The official analysts said that as a result of the swoop, CPT lost almost all its top-ranking operatives well versed in urban affairs.

Thong Jaemsri, the general secretary, who is still at large used to operate in the city but

the analysts doubted that the leading CPT leader can take over the job given his heavy responsibility to oversee all the domains of the CPT's affairs and the higher risk of being captured in town. Except for Prasit Tapien-thong, the other central committee members are mostly inexperienced and were just elected to the top-brass leadership in the Fourth Party Congress. Moreover, most of them were farmers, and not intellectuals. Prasit, the exception, is in fact a senior communist member who used to work with labourers in town. He was married to a worker.

The swoop on the four alleged politburo members and four central committee members will also affect the CPT's activities throughout the country because the captives have been assigned to supervise the operations in various regions.

**A**CCORDING to the official analysts, Vaithoon and Chamnarn are responsible for the CPT activities in the Central Region; alleged politburo member Prachuab Ruangrat, alleged central committee members Vibul Jenchaiwat and Prasert Thaothongchai have been assigned to oversee the Northeast operations; Sin served as the leadership's link to the southern leadership and cadres; while Nop has been assigned to take care of the operations in the North. Vibul was also allegedly responsible for the financial affairs of the party.

The swoop may not disrupt the communist activities in all the four regions but the loss of the large number of top leaders is expected to deal a heavy blow on the morale of the rank and file throughout the country, the official analysts said.

It was the first time that politburo members elected by the central committee five years ago have been arrested. With four having been nabbed, there are officially only three politburo members still at large: Thong, Virat Angkathavorn and Vinai Permpoonsap. Virat has, however, been incapacitated because he is afflicted with paralysis while Vinai has been reported missing since 1984.

The haul has also drastically reduced the 35 central committee members to only 10 at the most. Apart from the 14 captured in the two big swoops, five have surrendered, two have been reported missing, one died and two others were captured by Laotian troops while they were fleeing a military offensive across the Thai-Lao border in the North.

Moreover, the arrest also disrupted the preparations for the holding of the Fifth Party Congress. The official analysts believe that CPT had to postpone the meeting from October to next year or even the year after.

The seven top communist suspects nabbed after a secret rendezvous in Bangsaen Tuesday afternoon were reportedly discussing preparations for the Fifth Party Congress.

A document seized during the swoop shows that the seven communist suspects farmed out the responsibility among themselves on the drafting of the reports for the Fifth Party Congress.

The outlines of the reports are: the analysis of Thai society, the overall party performance since the Fourth Party Congress, the party membership and the strategy and tactics to fight against the government.

The document states that they must finalize the draft reports within August so the congress could be held in October.

THAILAND

MONK SUPPORTS COUP LEADER MANUN, GIVES POLITICAL OVERVIEW

Bangkok KHAO PHISET in Thai 18-24 Feb 87 pp 15-20

[Interview with Phra Udonkhanaphithak Kittiwutto, the director of Chittaphawan Withayalai, Bang Lamung, Chonguri; date and place not specified]

[Excerpts] [Question] What is your view of the general situation regarding the present government's efforts to solve the problems?

[Answer] I think that if we are to solve the economic problems and other problems in Thailand, the first problem that we must solve is the rice problem. We must improve the situation of the 35 million farmers so that they have greater purchasing power. That will improve the economic situation. The situation of stores at all levels will improve. Many things that are now depressed will improve. I am looking at things here. I am not looking at things abroad. I believe that rice is the country's important force. It is rice that can improve the economy here. There is no reason to look abroad.

[Question] Thus, if the government can solve the rice problem, the economy will improve.

[Answer] That's right. That is my prediction. If rice recovers, the economy will recover. We will have to wait until June. But things seem to be improving. I don't foresee a downturn.

[Question] People are still dissatisfied with what the government has done to solve the economic problems, isn't that right?

[Answer] If the rice problem is solved.... But there are so many problems. It's difficult. Even if the rice problem is solved, political problems may arise. There is still the matter of how to bring about justice in society. The state must take steps to bring about justice among the people. Those in the government must perform their duties in a responsible manner and view the people as the masters. They must not view themselves as the masters of the people. They must view the people as the masters. Resolute steps must be taken to solve the problems. All the problems can be solved.

[Question] Does this require an ideological revolution?

[Answer] A revolution is aimed at improving things. If things are not good, there must be a revolution to make improvements. Ideas and organizations must be changed. There are many things that need to be changed in order to bring about justice. Some of the laws need to be revised.

[Question] Do you follow politics?

[Answer] I pay attention to what is going on. I think that there are still many problems.

[Question] You mean that there are still many problems that need to be solved.

[Answer] Yes. However, we need to concentrate on one thing first. Because in the past, our political system has not been a democratic system. We have had just the form. But, as you know, people have used money to purchase votes. We have to do something to develop the people. We have to improve their standard of living. I followed last year's election. The people were really poor. The people had very little money. Some people did not have enough money to pay the bus fare to the polling point. And they had to have money for lunch because they couldn't return in time to eat at home. I am talking about people who live far from the polling points. The canvassers sent vehicles to pick them up and provided lunch for them. Who wouldn't accept this? They were given a little money and some food. As a result, the people did not vote for good people in all cases.

[Question] Shouldn't the system be changed somehow? Because giving power to the people just on election day does not seem to be enough.

[Answer] You're right. This is not the right way. The election law needs to be revised. I don't think that the present election method is honest. Last year, there were many "ghost units" that voted.

[Question] Do you know anything about a national government?

[Answer] A national government could solve the nation's problems. At a time when the political situation is unstable, we need a national government.

[Question] In the short-term, that is, in the next 3-4 years, do you think that there will be political weakness?

[Answer] If we continue to play dirty politics like this and the politicians are rotten like this, nothing will improve.

[Question] Do you think that there will be a coup?

[Answer] I agree with Gen Chawalit Yongchaiyut, who said that coups are a thing of the past. I think that it will be the people rather than soldiers who solve the problems.

[Question] Do you think that there will be an uprising?

[Answer] The people will solve the problems.

[Question] What form will this take? Will there be an uprising?

[Answer] I think that it is the people who can improve the country's situation. The military is just one element.

[Question] But in what form will public opinion be expressed? Because today, whoever makes a demand is crushed.

[Answer] They are put on the block (laughs). But if it reaches the point where they really want to change things, no one can stop the people. If it reaches that point. If those presently in office want to remain in office, I think that they must quickly take steps to improve things.

[Question] If they don't, is there any chance?

[Answer] Yes.

[Question] This refers to a real revolution, right?

[Answer] (Laughs)

[Question] But the people's forces have been harassed to the point where they have little power left.

[Answer] I'm not sure. (laughs) Don't underestimate the people. I'm not sure. (laughs)

[Question] Do you have any knowledge that leads you to believe that....

[Answer] I have said that I am not sure.

[Question] Do people lack a center around which to rally?

[Answer] When people lack a center, it is dangerous. But I hope that those who come in contact with the masses will be honest people and not use the masses as a base for their own interests. In the past, people have built a mass base for their own interests. But after obtaining what they wanted, they have stepped on the people. The Thai people have learned from these experiences. From now on, it will be difficult to use the people as a base. The people are smarter now.

[Question] In the next 2-3 years, will there be anyone with the capabilities to serve as the leader of the people?

[Answer] Thailand has many people who are qualified to lead. There are many good people in Thailand, but they have not been given a chance. (Laughs)

[Question] Who, for example?

[Answer] I don't want to mention any names. But there are many such people. I usually praise them quietly.

[Question] Are they playing a role now?

[Answer] Some do and some don't.

[Question] What about Gen Chawalit?

[Answer] He is a good person. He is intelligent and gentle.

[Question] He is sincere about wanting to solve the problems, isn't that right?

[Answer] He has solved several problems, and he has done so using a gentle approach.

[Question] Many people feel that the fact that Gen Chawalit has supported solving the rice problem in cooperation with Chittaphawan means that he has expanded his base.

[Answer] People should not think that way. If he feels that something is good, he supports it. The farm issue is something that must be given much thought. I started this, and he is helping. He is concerned about the farmers. Don't start criticizing the military for getting involved with the farmers. What he said is correct. As I have said, most of the soldiers come from farm families. Few soldiers are sons of businessmen. Those with missing arms and legs are all children of farmers.

[Question] There have been reports that Col Manun Rupkhachon is a disciple of yours. Is this true?

[Answer] We have known each other for a long time. We are close to each other. I am acquainted with many people.

[Question] Does Col Manun have sincere intentions?

[Answer] He is a person who is not afraid to make a decision. In certain cases, he has acted too hastily. But he is sincere about wanting to solve the problems. In solving problems, we want a leader who is not afraid to make a decision and take responsibility. We need someone who is willing to take the blame as well as the credit. We don't want a leader who allows someone else to take the blame when something goes wrong. The leader must take responsibility. A leader cannot shift the blame. When a subordinate is assigned a task and something goes wrong, the leader must bear responsibility and solve the problem immediately. He can't be weak.

[Question] From the standpoint of a human resource, this is a shame, isn't it?

[Answer] Yes, it is.



[Question] How do you feel about the fact that Col Manun has been stripped of his rank and discharged from the service?

[Answer] I feel sorry for him. I feel sorry because he was trying to help the country. That should not have happened. I think that it was a mistake to discharge him. Staging a revolution is not a sin. Those who think about staging a revolution are willing to bear the responsibility. We must give them a chance. Just like politicians, we have to honor them. If they think in a constructive way politically, we should honor them. The entire world must accept this, because those with political thoughts are the people who are willing to take responsibility for society as a whole. They may be wrong sometimes. When they realize that they were wrong, they should be forgiven. Manun probably had good intentions when he staged his coup. But he may not have had an all-round view of the problems. We should grant him amnesty in view of the fact that we have always granted amnesty to such people.

[Question] The leadership situation is not very good today, is it? As you said, the leaders are afraid to make decisions.

[Answer] The leaders must be intelligent and think about how to solve the problems. It must be admitted that our country's apparatus, which includes the laws and other things, has been unjust for a long time. People have not dared make criticisms or take steps to correct things. They have just cited the laws as a way to protect themselves. We have to determine which laws need to be revised. It is easy to promulgate laws but difficult to repeal them even though they are unjust. We should repeal those laws that contain loopholes that allow dishonest officials to oppress the people. These loopholes should be closed so that these people will have to earn their living honestly. But nothing has been done to get rid of these laws. A committee should be established based on the law to determine which laws need to be repealed. We do not evaluate the laws that are promulgated to see if they are correct. Some of the laws are promulgated out of greed or anger. An example is the abolition of the tax on Pepsi. (Laughs) That was an arbitrary action.

[Question] Some say that we should allow democracy, or the parliamentary system, to develop at its own pace. Others say that nothing has improved and that changes must be made in the political structure. With which of these views do you agree?

[Answer] Our principles are good. The structure is fine. It is the methods that are bad. For example, it has been stipulated that Thailand must have the king at the head. That is good. Thailand must have the king at the head. The problem is how to develop democracy to make it a moral system. Actually, from the standpoint of Buddhism, democratic principles are not always correct. A majority vote that is unjust is not right. This is part of the Buddhist discipline. Thus, the Buddha distinguished between three types of "athipatai" [sovereignty]: "Lokkathipatai" [worldly], "attathipatai" [self], and "thammathipatai" [truth]. He did not use the word "prachathipatai" [democracy]. However, it is the "truth" that represents democracy. In this world, the "truth" is supreme. Righteousness is the best thing. This means holding the "truth" and what is right as the highest good. The voice of

the people cannot be placed above everything else. It is also necessary to look at what is right. If our form of administration gives more attention to the "truth" and moral democracy, I think that everything will be fine.

[Question] Is too much emphasis being placed on the majority vote?

[Answer] Definitely! Today, more importance is placed on winning than on what is right. If the government uses what is right as the standard instead of the majority vote and if the opposition proposes something that is right, the government should accept that. It should not regard that as a defeat. It should go ahead and accept that. There is no need to take a vote all the time.

[Question] Can the present system be called a parliamentary dictatorship?

[Answer] If the majority is immoral and does not listen to the opposition, that is a dictatorship regardless of the actual system. If those in power do not listen to the people, that is a dictatorship regardless of whether it is a parliamentary system or some other system.

[Question] It has been said that the present prime minister has been very lucky. What is your view?

[Answer] You can call it luck. But when it comes to making decisions, regardless of whether it concerns increasing the salary of a subordinate or promoting someone, at what do we look? We have to look at their goodness, right? That is the main issue. I think that from the standpoint of goodness, the prime minister is a good man. But there are other aspects, such as intelligence and boldness in making decisions. This is something else.

[Question] Based on what the villagers have told you, what is their view of the government?

[Answer] The villagers pray every evening. (Laughs) One day, a layman said to me, "I pray that you will have a long life. I talk to my husband every night. He says that without you, things would be very difficult. Whenever I pray, I always pray for your safety and long life. You are our protection." I pretended to be annoyed and said to her, "You mean that laymen are praying for monks now?" (Laughs)

[Question] Whom do you think is suited to becoming leader?

[Answer] There are many people. There are many good people. We shouldn't look at things in a partisan manner. I am not concerned about which group or party a person belongs to. Regardless of what party a person belongs to, he must be a good person. If he is, he can be a leader. But our country seems to be fated to be out of balance. The good people who should be playing a role to help the country are not given a chance. I don't know why. Something needs to be done to enable the good people to play a role in administering and helping the country.

[Question] Would you care to mention a few names?

[Answer] (Laughs) No, I don't want to go that far.

[Question] Today, it seems as if we are creating a system in which there is no competition. That is, this is the only person who can serve as leader. No one has any idea who the 17th leader will be.

[Answer] There are many people. But this isn't the time to reveal their identities. People will accuse me of appointing the next prime minister. Prime Minister Prem will fault me.

[Question] Have you ever talked with Prime Minister Prem?

[Answer] No.

[Question] What does Gen Prem think about the rice program of Chittaphawan?

[Answer] I don't know. But Deputy PM Sonthi (Admiral Sonthi Bunyachai, the deputy prime minister) stopped and visited me. He is a very hardworking person. The prime minister understands and chose him as his servant. (Laughs). Because Deputy PM Sonthi is an honest person who tries to maintain the interests of the country. If he had not been put in charge of the rice problem this year, the country's interests would have suffered greatly. As you probably know, the reason why people criticize him so much is that he is working to preserve the nation's interests. He wants to succeed. As for his honesty, I can assure you that he wants to help the farmers. He made a point of coming to see me. He asked about the things that I am doing.

[Question] What about the matter of politicians lacking qualifications and the problem of corruption?

[Answer] We have to solve the economic problems, the economic and welfare problems.

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PUBLISHER VIEWS DESIRABILITY OF END TO PREM TENURE

Bangkok LAK THAI in Thai 9 Apr 87 p 66

[Speak Thai column by Rattana Yawapraphat: "Topple Prem Through Parliament"]

[Excerpts] Even though people have been working together for a long time to end Prem's tenure as prime minister, the gong was sounded and resolute action was taken only near the opening of parliament in April. The opposition parties are citing old reasons as an excuse to hold a no-confidence debate on Gen Prem. These include his inability to administer things or solve the problems for the people. The economy is still terrible, and the people are growing poorer and poorer all the time. Even though the opposition is using these old reasons once again, it has a good system for expressing its ideas. As a result, people who have little interest in politics view the Prem administration with great distaste.

Gen Prem has been prime minister too long. He has served in this position for five terms for a total of 7 years. Obviously, many people are tired of him. This is particularly true of opposition politicians, who are bent on taking his place, and their followers. The long wait of the opposition parties is like a huge bonfire that could flare out of control if someone pours on a little more gasoline.

However, the good point of democracy is that when the leader of the country has been in office too long, those who are tired of him can find an issue in order to force him out. But the person in office has the right to stay in office if his followers can gather their forces and give him strong support.

In some democratic countries, there is a good understanding of how the people and opposition feel and so there are stipulations in the constitution to prevent a person from holding the position too long. The constitution stipulates that a person can remain in office for only two terms. After that, someone else, whether from the same party or from an opposition party, must be given a chance to hold this position.

If a person remains in the top position for too long, this leads to a reluctance to give up power or to a "disease" that can be called "power crazy." A recent example was that of President Marcos in the Philippines. He forgot himself and the rules of democracy. Gen Prem is lucky not to have a

wife like Mrs Marcos. Because of this, many of his difficulties have subsided. But even so, he must not forget this rule of democracy. He must step down as prime minister next year, which is when his present term of office expires.

Trying to topple Prem through parliament is an ordinary matter. Similarly, it is only normal that Prem will try to prevent others from toppling him either this way or in some other way during his term of office. Democratic people do not ride tigers. Thus, they can step down as prime minister when the time comes. And when Gen Prem steps down, he will be called a statesman. Throughout our long period of democracy, there has never been such a political statesman.

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## CHAVALIT ON FERTILIZER PROJECT

Bangkok BANGKOK POST in English 18 Apr 87 p 11

[Article by Pattnapong Chantranontwong and Chatrudee Kittisuksatit]

[Text]

**ARMY Commander-in-Chief Chavalit Yongchalyudh has led a group of investors to the rescue of the dying National Fertiliser Corporation fertiliser project, an informed source told the Bangkok Post yesterday.**

Gen Chavalit, together with other project supporters, have agreed to set up a new company, which is expected to be called Agriculturists Corporation, to act as NFC's share holding firm.

The holding firm will have a registered capital of 100 million baht with Gen Chavalit acting as one of its shareholders.

The source said most of the new firm's shareholders will be agricultural and farmers' cooperatives and organisations.

A Scandinavian-based financial source has agreed to provide a soft loan of more than 200 million baht to the company which will subscribe to NFC shares to boost its registered capital to 2,250 million baht.

NFC has not yet been able to increase its registered capital to 2,250 million baht as many of its Thai shareholders have refused to contribute any more to the corporation because of doubts hanging over the project's feasibility.

So far only 86.78% shares have been subscribed to, so the new firm will subscribe to the remaining 13.22% worth about 297.45 million baht.

Committed subscribers comprise the Bank for Agriculture and Agricultural Cooperatives with 0.78%, Krung Thai Bank with 1.92%, the Finance Ministry with 7.86%, the Petroleum

Authority of Thailand with 16.49%, the Marketing Organisation for Farmers with 6.28%, financial companies with 0.48%, commercial banks with 4.62%, insurance companies with

0.72%, fertiliser firms with 2.63%, Stamicarbon BV with 3.54%, Haldor Topsoe with 4.73%, the Industrial Fund for Developing Countries (IFU) with 4.73%, Jordan Rock Phosphate with 10%, the contractors with 10% and the International Finance Corporation with 12%.

Although the source declined to name the Scandinavian financial source, it is expected to be Haldor Topsoe which will operate the project if it is able to get off the ground.

Haldor Topsoe earlier proposed a 200-million-baht soft loan extension to the NFC. The loan, which would be channelled through IFU of Denmark, would carry an interest rate of about 3-4% for a period of at least five years.

The source said the new firm was expected to be registered shortly, after which it would issue a prospectus inviting the general public to subscribe to its shares.

Agriculturists Corp's backing will help the NFC complete its registered capital increase and raise the Thai holding in the corporation to 51%.

If the NFC can increase its registered capital to 2,250 million baht, its position will be strengthened in negotiations with parties concerned and it will also qualify for a 20,206-million-yen loan channelled through the International Finance Corporation of Thailand

from Japan's Overseas Economic Cooperation Fund.

Meanwhile, former Finance Minister Sommai Hoontrakul, who is currently the chairman of IFCT's board of directors, said the IFCT was ready to extend the loan to the NFC if it increased its registered capital to 2,250 million baht. IFCT would also require a loan guarantee.

Mr Sommai said the guarantee was essential, especially now because of the sharp appreciation of the yen.

As for NFC's difficulties in boosting its registered capital because of the reluctance of some private Thai shareholders to increase their holdings, the former finance minister said the Government should take more than a one-third share in the corporation.

"The fertiliser project is very important for agriculturalists," he said. "Without the project, fertiliser traders can control pricing and supply sub-standard fertilisers to farmers at high prices."

Meanwhile, negotiations between NFC and Chiyoda, the Japanese company heading the contractor consortium, over the fixing of the foreign exchange rate have ended in deadlock again.

The NFC wanted the rate to be fixed at 200-220 yen per dollar, while Chiyoda said it would offer 157 yen at best.

NFC chairman Aran Thammano said the negotiations had automatically extended the validity of the letter of intent issued by the NFC to its contractors.

## PAPER PROFILES CONTROVERSIAL BUDDHIST MONK BUSINESSMAN

Bangkok THE NATION in English 19 Apr 87 p 9

[Text]

**A** MAN entering monkhood is supposed to be estranged from the secular world, but not Kittu Vudho Bikkhu who has been involved in a series of controversies, the latest concerning "rice business."

"I have adhered to Lord Buddha's teachings that we must help relieve the plight of people....," said the stout and moon-faced Kittu Vudho Bikkhu last Wednesday at Government House — a place where one would hardly come across a monk.

The controversial Buddhist priest was not making a sight-seeing trip at Government House, but discussing rice problems with Deputy Prime Minister Admiral Sontee Boonyachai, chairman of the National Rice Policy and Measures Committee.

Kittu Vudho Bikkhu's talks with Sontee did not cause much surprise, given the fact he constructed rice mills at his Jittapawan Buddhist Centre in the coastal province of Chonburi and plans more in temples all over the country. Earlier this year the monk constructed a rice mill in the Buddhist centre compound as a pilot project to enable farmers to mill their paddy there instead of paying private rice millers.

As he puts it, the main purpose of his project is to

enable farmers to reduce the cost of paddy production and raise the prices.

During his talks with Sontee, the well-known preacher proposed that the state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC) waive the 2,000-million-baht interest charged to farmers for their 10,000-million-baht debts.

On the same occasion, he confirmed Jittapawan Buddhist Centre's plan to take over the financially-ailing Kanasawat private college in the northeastern province of Maha Sarakham.

The monk said he would "beg" creditors of the college to waive debts to prevent the academic institution from going bankrupt which would severely affect the students. He also has an ambitious plan to turn the college into a top agricultural school as part of a move to turn the drought-stricken Northeast into a "green belt."

In an earlier interview, the monk said he has forwarded a request to the University Affairs Ministry for the establishment of a college in the compound of Jittapawan centre in Banglamung District. The college, to be named "Banglamung College," will concentrate on producing graduates in vocational fields to ensure them of jobs.

Lecturers of Banglamung College will be laymen and Buddhist monks and the college will cooperate with its sister college, Kanasawat, he added.

Kitti Vudho Bikkhu also has a long-term plan to raise water buffaloes, Asia's rice field "tractors." The animals, raised at Jittapawan centre and other temples, will be distributed to farmers free of charge.

"The farmers who get the animals from the temples must promise not to eat, sell or overwork the animals on religious holidays," he said.

Kitti Vudho Bikkhu has always been a controversial figure with a capacity for doing things which invite criticisms.

The monk has been accused by critics of being a right-wing religious activist, a gun smuggler for Kampuchean guerrillas, a bogus businessman and a misguided monk who uttered such a shocking statement as "it is not a sin to kill a communist."

However, the 51-year-old monk has survived such attacks with very few bruises.

In the early 1970s, Kitti Vudho Bikkhu had overt links with the right-wing "Nawaphol" movement." His association with Nawaphol caused questioning over the role of Buddhist monks in politics. And the disputed remark, "It is not a sin to kill a communist," was part of his sermons made then.

The controversial activities inside the Jittapawan Buddhist Centre at that time generated a great deal of speculation. The centre remained strictly off-limits to outsiders and was suspected of being used as a military training ground.

At present, there is no other temple in the country quite like Jittapawan. Instead of being contemplatively quiet, the Buddhist centre looks like a small-scale industrial plant with rice mills, car and bus repair operations and workshops. Buddhist monks there communicate with one another through walkie-talkies.

In one of the scandals involving Jittapawan, police uncovered a huge arms cache in a convoy of cars which brought Kitti Vudho Bikkhu and his followers to a religious function near the Thai-Kampuchean border.

Even though Kitti Vudho Bikkhu vehemently denied any involvement, speculation ran wild that the seized weapons were destined for Khmer Seri resistance forces fighting the pro-Peking Khmer Rouge ruling Kampuchea at that time.

Later, there were scandals involving the purchase of several Volvo sedans and a woman alleged to have had "close contacts" with Kitti Vudho Bikkhu.

In 1985, Kitti Vudho Bikkhu made headlines again when about 3,000 clients of one of the most celebrated chit fund operators — Mrs Nokkaew Chaeyuen — gathered at Jittapawan to listen to what Thai-language dailies called his "chit fund sermon."

Fugitive Nokkaew was declared bankrupt for allegedly violating the government's Anti-Chit Fund Act.

In his sermon to Nokkaew's clients, who lost hundreds of millions of baht in the unorganized money game, Kitti Vudho Bikkhu said they were pursuing the "right course" by investing in the chit fund poll. Furthermore, if someone were to be blamed for their sufferings, it would certainly be the government, he had said.

Critics of the monk questioned the motive behind his move in defending Nokkaew. And the Education Ministry immediately ordered an investigation of him by the Sangkha Supreme Council, the body which oversees the activities of Buddhist monks.

Kitti Vudho Bikkhu entered the monkhood when he was 20, the traditional age when Thai men enter the monkhood for at least one month of soul searching.

Initially, he intended to be a monk for a short time. However, he has stayed in the monkhood for more than 30 years and turned the life of Thai Buddhist priests upside down.

He spent his early days in monkhood in Wat Paknam Pasicharoen before moving to Wat Mahathat, where he is affiliated despite spending most of his time at Jittapawan which he founded.

Kitti Vudho Bikkhu is known for his eloquent preaching style. He has a great following including many who supported him financially — and sometimes politically.



## THAILAND

### WEEKLY VIEWS PATENTS, FORSEES PROBLEMS

Bangkok KHAO PHISET in Thai 25-31 Mar 87 pp 6, 7

[Editorial: "Patents, Be Careful About Domination of Information"]

[Text] Strong pressure is being exerted to protect patents. This problem arose just a few years ago. This is a sign of tension in international relations, often referred to as "north-south relations." This tension has arisen at a time of crisis in the world economic system, a crisis that has existed for several years now. The problem of patents and intellectual property rights became a serious international issue when newly-developed countries such as Korea, Brazil, and Mexico developed the capabilities to copy and modify the technology of the developed countries, which gave them the ability to produce the same types of goods and compete on world markets. They succeeded in taking markets away from the developed countries. Thus, the developed countries, which were in the midst of the world economic crisis, began exerting pressure on these countries in order to protect their patents. All of this has affected Thailand, too, as KHAO PHISET reported recently.

Domestically, the patent problem reflects the conflict between the multinational corporations, which want to protect their interests, and Thai financiers, who want a chance to develop the technological potential under the existing patent system, that is, the legal system that affords weak patent protection and the weak patent administrative system. Clearly, this conflict concerns a struggle for profits. This problem also has many other effects, effects that concern other elements of society such as people in general and the government. For example, prices will increase and we will have to spend more foreign currency if there is strong patent protection.

In the midst of this struggle over interests, the groups with superior power, particularly the multinational corporations, have a great advantage, because they can mobilize the state apparatus and international units to support them and put pressure on the Thai government. They can also disseminate information and ideas on the patent systems that are in accord with their interests. And from what we have seen, many Thai bureaucrats seem to favor strong patent protection. In particular, they are happy to receive the technical aid (concerning patent administration) provided by the World Intellectual Property Organization (WIPO).

KHAO PHISET feels that it has a duty to provide information about this matter. To this end, we would like to present the ideas of an American scholar. On 21 March, Professor R.E. Evenson, who is on the staff of the Economic Development Center, Yale University, told KHAO PHISET that WIPO was established in order to protect the system of patents and other intellectual property. One of its important tasks is to exert pressure on countries to promulgate strong patent protection laws. WIPO's objective in giving technical aid (concerning both content and administration of the patent system) to Thailand and other developing countries is to get these countries to provide strong protection for the patents (of the developed countries), which will greatly benefit the developed countries.

He said that the countries that provide strong protection must be countries that have a high level of technological development and a strong industrial base. The developing countries, such as Thailand, which began carrying on technological development just recently, should provide weak patent protection in order to give Thai industrialists a chance to copy and improve existing technology or disclose things in the patent journals of the developed countries without having to pay anything (free rider). Besides this, these countries should not give patent protection to products that are of great benefit to the country, such as medicines, crop varieties, livestock breeds, and so on.

Professor Evenson feels that Thailand's Patent Act has already taken these issues into consideration and that there is, therefore, no reason to revise this act. The country's interests have been looked after well. As for those countries that cannot produce high technology to compete on the world market, the appropriate patent policy is to provide weak protection and engage in weak patent administration.

This is additional information that should be considered, particularly by the government units concerned, national-level policy administrators, and MPs, whose duty is to promulgate and revise laws.

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CSO: 4207/183

## VOTERS COMPLAIN ABOUT ELECTION PROCEDURES

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 21 Mar 87 p 1

[Article by Ben Nghe: "A Reasonable Request"]

[Text] Up until today (20 March 1987), we have received 18 letters from individual or collective voters in a number of subprecincts, village, units, agencies, enterprises, etc., reflecting a lack of democracy in the introduction of election candidates. The writers requested that these letters be immediately delivered to the Municipal Election Guidance Committee with a request for prompt inspection and examination to correct any mistakes noted in accordance with the directive of the Political Bureau in order to prevent a loss in confidence of the voters in those locations.

Careful reading of these appeals shows a general compulsion by preconceived opinions and structures without listening to the opinions of the people, placing those for which a majority of the voters have no confidence on the election roster, and failing to include those in which the voters have high confidence. When the voters anxiously inquire, the explanation is that it "is due to the stipulated structure," that "people's council delegates must be leadership cadres," "must be party members," etc. If the voters fail to agree and complain further, some locations have "diplomatically" and "tactfully" sent someone from the election and front committees to "make satisfactory arrangements for tranquility." However, there have also been places that have ingeniously ordered that cadres responsible for the election and other key cadres in the local area harshly question the doubters, including many who have been recommended for election but have not been placed on the election roster, as follows: "If he (or she) will dare to pledge to our faces that he is competent to fulfill the role and responsibility of the people's council, go ahead and demand that he be elected."

In accordance with the reasonable demands of the voters, we have sent the letters above to the Municipal Election Guidance Committee with a suggestion for prompt inspection, examination and resolution. We believe that the constructive voices in the letters above prove the political growth of the people, and prove that the people have confidence in the party and the government, and want all levels of the party and government to resolutely supervise proper compliance with the point emphasized by Phan Van Khai, Chairman of the Election Guidance Committee, that it is necessary to "be truly emocratic in the election, especially in the selection and introduction of candidates."

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CSO. 4209/420

## NEED FOR REGULAR PUBLIC CRITICISM IN PRESS DISCUSSED

Hanoi NHAN DAN in Vietnamese 3 Apr 87 p 3

[Article by Huong Duong, State Inspection Commission: "Inspections and the Broadening of Democracy and Public Criticism"]

[Text] With a spirit of looking squarely at the truth, evaluating things correctly, and speaking the truth, many newspapers at the center and in the localities have publicly criticized a number of negative matters of a serious nature.

In the case of a number of these newspaper articles, the authorities have studied the matter and prosecuted those who committed violations. However, in a rather large number of cases, the organizations responsible have failed to respond to the revelations in the newspapers. They have not handled matters promptly with the aim of satisfying the wishes of the masses.

Public criticism in the press under the socialist system in our country is a matter with the nature of a principle and was affirmed long ago.

As for the inspection organizations, public criticism in the press and the examination of complaints are tied to each other very closely. Furthermore, something that is of even greater significance is that public criticism is a form of control by the masses over the activities of the organizations and personnel in the state apparatus. Thus, in organizing inspections at various echelons, on one hand, there must be an objective attitude and zeal and support for revealing criticisms in the press. On the other hand, things must be coordinated with the organizations that have judicial functions in order to examine and respond seriously to the questions raised by the masses and readers.

Through public criticism, the inspection organizations can obtain a sizable quantity of information from the masses. Based on this, they can carry out their duties and tasks better. The resolution of the Sixth Party Congress states that the "slogan of the 'people knowing, discussing, acting, and controlling and all for the people and by the people' must be implemented. The masses must be mobilized and organized to participate in managing the economy and society and to participate in the economic reform activities."

In order to fulfill this requirement and turn the party's resolution into a living reality in social life, promoting public criticism in the press is a necessary measure of positive significance. This must become a regular activity. It should not be done only when there is a campaign.

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CSO: 4209/408

## ILLEGAL PRACTICES OF MANAGEMENT UNITS DISCLOSED

Hanoi NHAN DAN in Vietnamese 3 Apr 87 p 3

[Article by Le Huyen Thong: "Through the Inspection of Two Business Management Installations in Thai Binh and Hau Giang: Social Justice and State Discipline"]

[Text] The "health" of a business corporation that has exceeded the quotas in the state plans every year is being inspected by a provincial inspection unit. This has generated great concern among many people. As a unit that has integrated business tasks, the Dong Hung District Commercial Corporation has actively maintained the sources of goods and obtained many types of goods. The operational guideline of the corporation is to regard supporting the laboring people as its main task. But reality has been very different.

#### The Essence of the Matter

In response to complaints by people, a team of inspectors from the Thai Binh provincial People's Committee was sent to this corporation in order to examine the use of the commodity funds, the distribution of materials, and the implementation of the price policy during the past period. The team discovered many irregularities. The unfair distribution of goods is the striking point here. Analyzing this from the perspective of social policy, these shortcomings lead us to believe that social justice must also be ensured in support businesses. Distributing commodities based on special privileges and special interests will create additional negative aspects in life and reduce the enthusiasm of the excellent laborers who have contributed much to society. Social justice in the sphere of distribution and circulation takes place on many fronts and is manifested fairly clearly in the implementation of the policy of the district people's committee on "distributing cement to the villages in order to sell bonus amounts to those people who have scored achievements in selling much pork to the state." The Dong Hung Commercial Corporation delivered almost 300 tons of cement to the villages in order to implement the resolution of the district. However, the bonus sale of scarce items to the people has been done in a very arbitrary manner. To be allowed to buy a ton of cement, some villages have had to sell only 2 tons of pork while other villages have had to sell 3-4 tons. Some villages have had to sell as much as 9 tons of pork. And when the cement reaches the village, distribution is not fair. This has led to jealousy and suspicion among the people. Some

villages have sold almost all of the cement sent to the village by the district to the cadres and to families that did not sell any pork to the state. At the same time, many households of excellent cooperative members who sold much food to the state-operated commercial organizations have not been allowed to buy any of the cement.

The exchange of cement for the paddy of the peasants has been carried out inefficiently, too. A number of villages that have many agricultural products and that have fulfilled their obligations to the state for many years have not received their fair share of the industrial goods, or they have received about the same amount as villages that have not done a good job in production and that have contributed little to society.

This corporation had a number of good-quality transistor radios. It was thought that these would be distributed to the villages that had many agricultural products. But instead, 44 percent of these valuable radios were sold to cadres for whom the district had issued a letter of introduction. The rest were sold to personal acquaintances as determined by the corporation. This was a case of "all talk and no action."

Something that should be given attention is that the commercial corporation and stores have frequently sold valuable and scarce goods at low prices based on "internal distribution." Or these goods have been reserved for sale to personal acquaintances and "dignitaries" in the localities. The distribution of mosquito net cloth to the villages during the past several months has been very irrational, too. Some villages have received only 40 meters while for some reason, other villages have received almost 3,500 meters in just a short period of time.

With such an irrational distribution of goods as that exhibited by the Dong Hung Commercial Corporation in the recent past and that is still taking place at a number of other places today, it will be impossible to manifest the social enthusiasm of the real laborers. In reality, when distribution is unfair, many times this has a negative effect and encourages cheating, laziness, and illegal activities.

How Could This State of Affairs Continue for so Long?

Unlike the function of the Dong Hung District Commercial Corporation, the Can Tho City market management unit was established to carry out two tasks: to oppose speculation, smuggling, the production of bogus goods, illegal business activities, tax evasion, and the theft of state goods and to contribute to stimulating commodity circulation, creating conditions to expand production, and stabilizing the market. Unfortunately, a number of cadres and personnel in the Can Tho market management unit did not carry out these tasks.

Many people in Can Tho City have complained about the the unit's violation of the principles in seizing contraband (almost 600 memorandums filed during 6 months of seizing goods were not stamped and many of the figures were changed). Many of the seizures were not recorded in the files, particularly in the case of abandoned goods. Many types of goods seized by the unit were distributed like a bonus using the form "sell internally at a flexible price."

What is even more important is the unit's arbitrary and arrogant work style and its brutal violation of the people's ownership rights. The unit has used weapons, detained people, and beaten people in violation of the law. A number of bad elements have relied on this unit to oppress the masses.

Based on many complaints filed by citizens, the Hau Giang provincial People's Committee recently directed the provincial Inspection Commission to examine the activities of the Can Tho market management unit. One question is, how could this unit have violated state discipline and encroached on the property and ownership rights of the people for so many years without action being taken to stop it?

Through examining the two business management organizations in Dong Hung and Can Tho, we now know that implementing social justice must go hand in hand with restoring discipline in socioeconomic management. This is an urgent requirement of life today. These two aspects are tied to each other closely and affect each other. Because whenever a place fails to implement social justice, laws will be violated there. And if the laws are violated, there is no need to talk about social justice.

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CSO: 4209/408



## NEEDS OF YOUTHS DISCUSSED

Hanoi NHAN DAN in Vietnamese 26 Mar 87 p 2

[Article by Pham Thi Hong: "Give More Attention to the Legitimate Needs of Youths"]

[Text] As the Fifth National Congress of Delegates of the Ho Chi Minh Communist Youth Union approaches, many primary-level union organizations have reviewed youth mobilization activities during the past period. One matter that needs to be given attention is that union activities in many places are still formal and monotonous. There is too much red-tape. Things are done in an ostentatious and wasteful manner, and results are poor. There are many reasons for this state of affairs. In this, attention should be given to the fact that the various-echelon union organizations do not given attention to the legitimate needs and preferences of the youths. In mobilizing youths, many party committee echelons have not kept in close touch with the lives of the youths, particularly the problems that they are facing. The mobilization activities lack forms suited to each type of target.

"Administrationism" in the activities of the union has reduced the results of the youth mobilization activities. The party Organization Department and the propaganda and training departments of the provincial unions in the Mekong Delta and Ho Chi Minh City recently began conducting a survey on the aspirations of youths ages 16 to 25 in order to try and understand the needs of youths. From integrating and analyzing the ideas obtained in different areas, three issues are quite clear:

- a. The No 1 need: The youths want a stable job and a good income in order to maintain their material and spiritual lives.
- b. The No 2 need: It is hoped that the various echelons will create the conditions necessary to make effective use of the youths' leisure time. Things should be organized, and there should be recreational spots. There should be a rich and interesting cultural life in accord with the psychology of youths.
- c. The No 3 need: Many youths want to study and train and raise their occupational standards.

Many cadres who have been involved in union work for many years think that these three needs are similar to those of youths in many countries. UNESCO has published statistics on the leading interests of youths throughout the world. These are sports, traveling and sightseeing, camping, dancing, singing, movies, and art.

Instilling revolutionary ideals in the youths must go hand in hand with giving attention to the legitimate needs of the youths. Satisfying the legitimate needs of the youths means coordinating obligations and rights. This has the nature of a principle in order to ensure that the youth mobilization measures are implemented well.

Today, an urgent problem that requires the attention of many primary-level union organizations is that the contents and forms of the activities and training must be improved so that these are appropriate for the youths and achieve good results. To do this, greater attention must be given to the legitimate needs of the youths. This must be manifested concretely in both the forms and contents in making innovations in youth mobilization activities.

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## THAI BINH PROVINCE IMPLEMENTS PARTY RESOLUTION

Hanoi HANOI DOMESTIC SERVICE in Vietnamese 10 May 87

[Text] The Thai Binh Party Committee's standing body during 8-10 May held a conference with almost 500 leading cadres of various branches and sectors in the province and eight units to study and discuss measures to implement the resolution of the Party Central Committee Second Plenum and to disseminate the Provincial Party Committee's decision on issues concerning the management mechanism in agricultural cooperatives. Each member of the provincial and district party committees is assigned to guide work at one cooperative using his comprehensive experience, while formulating concrete action programs for agricultural production, especially programs for improving rice fields and water conservancy projects. It is imperative for agricultural cooperatives to promptly harvest the spring rice while evaluating the results of the 1987 spring crops. It is also essential for them to implement new methods in supplying materials and in serving the 10th-month rice crop.

Thai Binh Province is planning to plant 81,200 hectares of the 10th-month rice this year to obtain a total output of 244,000 metric tons of paddy. It has also planned to plant 19,000 hectares of subsidiary food crops comprising potatoe, sweet potatoe, and corn to bring the total output of subsidiary food crops converted to paddy equivalent to 65,000-70,000 metric tons or 5,000-10,000 metric tons over that of the 1986 winter-spring crop.

1181/13104

CSO: 4200/566

## LOCAL WOMEN'S CONGRESSES HELD IN PROVINCES, CITIES

Hanoi HANOI DOMESTIC SERVICE in Vietnamese 13 May 87

[Text] To date, 40 provinces, cities, and special zones throughout the country have held women's congresses from the grass-roots to the provincial and city levels. This is a broad political drive aimed at promoting a thorough understanding of the women's motivation line of the party among women of all strata, bringing into play the role and great capabilities of women in carrying out the socioeconomic tasks set forth by the Sixth National Party Congress, and protecting the interests of women and children.

In the spirit of renovation and democratic discussions, the local women's congresses have set forth practical, concrete, and effective programs of action and initiated an emulation movement among women of all strata to implement various economic and welfare programs, ensure political security and public order and security, and promote the building of women's and children's welfare projects, and so forth.

The delegates attending the congresses have contributed tens of thousands of ideas to the draft political report of the Vietnam Women's Union (VWU) Central Committee and brought to the attention of the party and state problems relating to women's and children's interests.

The local VWU's have elected new executive committees and appointed delegations to the Sixth Vietnamese Women's Congress to be held on 19-20 May.

1295/13104  
CSO: 4200/566

## BRIEFS

KEY CADRES IN LAM DONG STUDY PARTY RESOLUTION--Lam Dong has held a conference of key cadres of various sectors, branches, mass organizations, districts, and cities to study and implement the resolution of the Second Party Central Committee Plenum. The province decided to quickly disseminate this month the spirit of the resolution among all party cadres and members and the people. All sectors and grass-roots units will rely on the suggestions made by party cadres and members and the people to urgently formulate plans to implement the resolution. Pending the promulation of a concrete state plan on the people's welfare, from May onward Lam Dong will be granting temporary allowances to cadres, workers, and civil servants in the administrative sector to ensure their livelihood and create an enthusiastic atmosphere in productive labor. [Text] [Hanoi HANOI DOMESTIC SERVICE in Vietnamese 12 May 87] 1203/13104

PROVINCIAL WOMEN'S CONGRESSES CONCLUDE NATIONWIDE--Women's Congresses have been held in all the forty cities, provinces and special zone across the country in preparation for the upcoming National Women's Congress scheduled from May 19-20. Pervaded by the spirit of renovation, the local Women's Congresses have worked out practical, concrete and effective programmes of action aimed at involving women of different social strata in labour emulation movements to successfully implement the 6th CPV Congress's Resolution, especially in building welfare projects for women and children. Tens of thousands of suggestions have been made at these congresses to contribute to the draft report of the Central Committee of the Vietnam Women's Union to be presented at the National Congress. New executive committees of provincial and municipal women's organizations and their delegations to the National Congress have been elected. [Text] [Hanoi HANOI DOMESTIC SERVICE in Vietnamese 14 May 87] 8407/13104

SRV, CAMBODIA SIGN FORESTRY COOPERATION PROTOCOL--A protocol on cooperation between the Kampuchean Ministry of Agriculture and the Vietnamese Ministry of Forestry for 1987 was signed in Phnom Penh, Tuesday, reports SPK. The signing took place during a

recent visit to Kampuchea by a Vietnamese Forestry delegation. The delegation held talks with Say Chhum, Kampuchea Minister of Agriculture. The two sides discussed measures for furthering their bilateral cooperation. [Text] [Hanoi HANOI DOMESTIC SERVICE in Vietnamese 14 May 87] 8403/13104

CSO: 4200/566

## REASONS FOR DISTRIBUTION OF POOR-QUALITY INSECTICIDE EXAMINED

Hanoi NHAN DAN in Vietnamese 25 Mar 87 p 2

[From Production to Consumption column by Hoang Van Quyet: "More Than 55 Tons of Poor-Quality Insecticide"]

[Text] Recently, many peasant households in Ha Nam Ninh have complained about the poor quality of the insecticide that is being sold. The Zone 1 Quality Standards Center investigated the situation regarding this item in circulation and distribution and found:

In circulation and distribution in Ha Nam Ninh Province, a number of lots of insecticide were substandard in quality. Seven lots of insecticide produced by the Vinh Thinh Chemicals Plant, which is subordinate to the Chemicals General Corporation, were examined. The quality of five of these lots was found to be 7.8 to 22 percent below the stipulated level.

What is the reason for this state of affairs? One reason is that shipping and receiving between the chemicals plant and the Vegetation Protection Department, Ministry of Agriculture and Food Industries, has been carried on in an arbitrary manner. In 1986, the Vegetation Protection Department shipped raw materials to the Vinh Thinh Chemicals Plant to produce insecticide. In return, it received insecticide for distribution. The two sides have this economic relationship but have not signed a contract. As for quality, the Vegetation Protection Department received the lots of insecticide from the plant, but there was no attachment indicating product quality control results. Before receiving the insecticide, the department checked samples from the lots. In 1986, 51.9 tons of methyl parathion 50ND, 2.1 tons of kitazin 50ND, and 6 tons of basudin 10 percent were found to be of poor quality. Because the goods were substandard, they should not have been accepted. But the Vegetation Protection Department accepted the insecticides and sold them to farmers at cost.

In April 1986, the Vegetation Protection Department shipped 30 tons of raw materials for producing kitazin 94 percent to the Vinh Thinh Chemicals Plant (again, without an economic contract). According to the norms stipulated, the Vinh Thinh Chemicals Plant was supposed to produce 55.45 tons of kitazin 50ND of the stipulated quality. The plant finished producing this lot around the end of the 2d quarter and the beginning of the 3d quarter of

1986. It should have been put to use immediately, but the two sides got into a dispute about the quality. This dispute could not be resolved, because the two sides did not have an economic contract. In the end, the 55 tons of kitazin 50ND remained in the plant's storehouse until the end of 1986 even though there was a great need for fungicide to support agriculture.

During the inspection conducted at the Vinh Thinh Chemicals Plant at the end of 1986, the Zone 1 Quality Standards Center concluded that the 55.45 tons of kitazin 50ND fungicide produced by the Vinh Thinh Chemicals Plant in 1986 was 12 to 22 percent below quality as compared with the stipulated norm (this is without mentioning that the amount of raw materials was short by 4.33 tons). That lot of fungicide was finally received by the Vegetation Protection Department in February 1987. It then distributed this fungicide at a greatly reduced price and gave consumers guidance on how to use it.

Clearly, the arbitrary work method and lack of a spirit of responsibility mentioned above have led to reduced product quality and a waste of public property and caused consumers to suffer losses.

11943

CSO: 4209/405



## DISTRICT, COOPERATIVES CRITICIZED FOR RESELLING FERTILIZER FOR PROFIT

Hanoi NHAN DAN in Vietnamese 1 Apr 87 p 2

[From Production to Consumption column by Nam An: "One-hundred Tons of Chemical Fertilizer To 'Create a Budget'"]

[Text] Phu Luong District made a proposal to the province and Bac Thai Province naturally put the proposal to the central echelon, which was to supplement the chemical fertilizer distribution norms. Who isn't striving to ensure that rice yields are high and that the upland potato fields give high yields so that, together with the entire country, we can solve the grain problem?

Shortly after that, Phu Luong District obtained 100 tons of chemical fertilizer. Everyone was happy about this. But unexpectedly, after obtaining the fertilizer at the state's directed price of 5.6 dong per kg, the district then sold it to the cooperatives for 20 dong per kg and used the profit to "create a district budget." Seeing this, a number of cooperatives followed suit. After purchasing the chemical fertilizer from the district, they sold it to the farmers for 30 dong per kg in order to "create a budget." Thus, this chemical fertilizer did not go directly to the rice fields or upland potato fields. It was drawn out of the orbit of the plan to support agriculture and the two-way economic contracts between the state and the farmers. Some of it even fell into the hands of speculators.

A good turn is spread afar and so is a scandal. In a very short time, the Bac Thai Province economic arbitrator found out about this. After looking into the matter, he promptly forced the district to correct this and not sell things this way anymore. The Provincial CPV Committee and the Provincial People's Committee promptly directed Phu Luong District to review the matter and take steps to prosecute this case. Fortunately, at that time, there were still 80 tons of chemical fertilizer in the storehouse that had not yet "slipped out."

Many consumers in the locality welcome the speedy and resolute action taken by the economic arbitrator and the provincial leadership. At the same time, they

have criticized the cadres in the district for their lack of a spirit of struggle in the face of the creation of these illegal budgets, which caused confusion concerning economic management discipline and prices, which resulted in materials being used for the wrong objectives, and which affected the delivery of goods to the state based on the two-way contracts.

11943

CSO: 4209/409

## IMPLEMENTATION OF UNIFORM PRICE FOR GRAIN ANNOUNCED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Mar 87 p 1

[Article by "Q.V.": "Grain Sold at a Uniform Price Beginning in March 1987"]

[Text] During the second week of March 1987, the precincts and districts simultaneously disseminated and implemented the selling of rice at a uniform price throughout the city.

According to that mode of selling rice, all rice-selling locations (neighborhood agencies, and selling locations for cadres, workers, and civil servants) will sell ordinary rice at the uniform guaranteed commercial price of 50 dong per kilogram, which is close to the market price of rice. The Financial Service, the Municipal Bank, and the Grain Service have been assigned responsibility for cooperating in implementing the system of rice price supplements to salaries. The categories to receive price supplements include cadres, workers, and civil servants, college and specialized middle school students, and Assault Youth members; the categories covered by the policy (cadres who are retired or disabled, disabled veterans, families of war dead, and families with merit toward the revolution); dependents, and people who receive aid because of permanent difficulties. Those categories will receive price differential payments due to the rice price adjustment which will amount to 45.8 dong per kilogram (they will have to spend only 4.2 additional dong per kilogram). The March rice ration will remain what it has been during the past several months.

If people covered by contracts (except for those who are regular employees of the state) were provided rice ration booklets by the precinct or district grain store, they will receive the same rice price differential payments as cadres, workers, and civil servants. Since January 1987 small industry-handicrafts workers and peasants in specialized vegetable-growing areas have been able to buy rice at state commercial prices and do not receive price differential payments. In their case the price disparity payments are included directly in the contracted price and the state purchase price.

Cadres, workers, and civil servants who for one reason or another have not been able to buy their February rice ration may still purchase the February ration at 17 dong per kilogram. If they do not purchase it they will receive a price disparity payments of 45.8 dong per kilogram (including 12.8 dong

supplemented in accordance with the old rice price--17 dong--plus 33 dong, which totals 45.8 dong).

5616

CSO: 4209/422

## NEW MANAGEMENT MECHANISM CALLS FOR EQUALIZING PRICE OF RICE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Mar 87 p 1

[Editorial: "New Management Mechanism Demands That Rice Be Sold at One Price"]

[Text] During the past several months the cadres, workers, civil servants, and families covered by the policy have purchased rice at the price of 17 dong per kilogram, only one-third of the price for the same kind of rice on the unorganized market. After buying rationed amounts of rice at "subsidy" prices, many people do not use all of it but sell it on the "free" market. A considerable quantity of state rice "flows" out to the market, which creates a situation of buying and reselling and causes difficulties for management and the transformation of the grain market. Since March of this year, the implementation of a single rice price corresponding to the market price has been beneficial in the following ways: first of all, after receiving price differential payments the people need only buy as much rice as they need, and do not have to purchase the full rationed amount, as in the past, because the price was too low, and are not harmed (especially in the case of people whose families send rice from rural areas or who are ill and use other kinds of food). Therefore, with regard to grain management in society the grain sector saves a certain amount of grain in distribution so that it can meet the other needs (such as selling it on the market), in order to stabilize the price of rice on the general market. Some people may be confused: there is inflation, so after receiving price differential payments will they be able to buy a sufficient amount? According to guidance by the municipal people's council, the Municipal Grain Corporation guarantees that there will be sufficient rice to sell the full monthly rations according to standards. In even that it is necessary to adjust the price of rice upward, the price differential payments made to the various categories will be increased to correspond to the adjusted price of rice, thus ensuring that the people can buy rice in accordance with the ration standard. With regard to small industry-handicrafts workers and peasants in the specialized cultivation areas, no rice price differential payments will be made but the contracted-out unit price and the state purchase price will be increased.

Selling rice at a uniform price also has the benefits of reducing troublesome paperwork for the people, facilitating the grain sector's implementation of accounting, and tightening grain management (in comparison to the time when

the same kind of rice was sold at many different prices), and also helps the financial sector in making price differential payments to the various categories who buy rice in rationed amounts.

Its greatest and most practical benefits, and also the core of the system of adding rice price differential payments to salaries, are meeting the requirement of changing over from the administrative-subsidy management mechanism to socialist economic accounting and it is another factor helping the state and the basic economic units to be able to correctly calculate production costs and assess the production-commercial effectiveness of the unit, a very important factor in encouraging the development of economic activities.

The selling of rice at a unified price has only begun to be implemented, so deficiencies are unavoidable. With a spirit of collective mastership in social management, the people must cooperate with the relevant sectors in inspecting, supervising, and assisting the grain and financial sectors so that they can do a good job of carrying out that policy.

5616

CSO: 4209/422

## DIRECTIVE ISSUED TO REGULATE DISPARITY IN PRICE OF RICE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 21 Mar 87 p 1

[Article by T.Q.T.: "Rice Price Differential Payments Based on Rations of Each Cadre, Worker, or Civil Servant"]

[Text] The Municipal People's Committee has just issued a directive which stipulated the selling of rice at a single price and rice price disparity payments to cadres, workers, and civil servants.

The rice price disparity payments are based on the monthly ration standards of the state that have been stipulated for each category. Each dependent and each cadre, worker, or civil servant who experiences permanent difficulties, people covered by policies, members of the armed forces, etc., receive supplements based on the ration standard of 10 kilograms per person per month.

Every quarter the Municipal Price Supplement Council, made up of the Financial Service, the Grain Corporation, and the Price Commission, will review the situation and recommend a rice price disparity supplement level for approval by the Municipal People's Committee.

In March 1987 the rice price supplement is 45.80 dong per kilogram (50 dong minus 4.20 dong).

The Municipal People's Committee has directed the banking sector and the wards and districts to carry out the payment of rice price supplements to cadres, workers, and civil servants promptly and rapidly. With regard to people who are retired or disabled, dependents, and people who receive allowances because of permanent difficulties, all-out efforts must be made to make one supplementary payment in cash.

So that cadres, workers, and civil servants can have money to buy rice in March 1987, while awaiting the adjustment of paperwork, the Grain Corporation and the Financial Service have advanced funds so that the rice can be distributed to the various categories.

Because of the difficult grain situation, some places have still not sold the full rice ration for February 1987 to cadres, workers, and civil servants.

In such cases, the Municipal People's Committee has provided specific guidance regarding two method sof resolution: selling the full amounts of the ration at the price of 17 dong per kilogram, or making supplementary payments based on the new rice price (45.80 dong per kilogram). The payment of rice price supplements must be made very rapidly.

5616

CSO: 4209/422



## HARVEST OF WINTER-SPRING RICE REPORTED NATIONWIDE

Hanoi HANOI DOMESTIC SERVICE in Vietnamese 11 May 87

[Summary] "The Statistic General Department reported that over the past 10 days southern provinces harvested more than 680,000 hectares of winter-spring rice. Cuu Long, Kien Giang, Long An, An Giang, and Ben Tre Provinces have basically completed their harvest work. Generally speaking, southern provinces obtained a better winter-spring rice productivity compared with last year. The total output increased by 75,000-80,000 metric tons. An Giang and Ben Tre exceeded their set plan norms."

In the northern provinces, winter-spring rice has grown ears and harvest work is beginning. "According to an estimate by the Statistics General Department, as of 5 May about 80,000 hectares of winter-spring rice in the northern provinces had been harvested, the remaining rice acreage was being seriously ravaged by harmful insects. About 60-78 percent of the rice cultivated area in Ha Nam Ninh, Thai Binh, and Hai Hung provinces were damaged by the insects."

Although rains have come during the past several days, drought is still prevalent in localities, and more than 190,000 hectares of winter-spring rice are badly in need of water. To cope with this situation, the electric power section should formulate a plan to supply more electricity to sectors concerned to help them urgently fight the drought.

At present both northern and southern provinces are concentrating their efforts in planting the summer-fall rice and preparing land for the early 10th-month rice. Southern provinces have plowed land quicker than the corresponding period last year and have sowed more than 200,000 hectares of rice seedlings.

"Over the past 10 days the planting of subsidiary food and industrial crops were quicker than the corresponding period last year. The nation has planted 460,000 hectares of subsidiary food crops or 24 percent over the same period last year and has

planted 133,000 hectares of industrial crops or 11.7 percent more than last year."

Localities are urged to prepare better rice varieties to obtain bumper rice crops, while paying attention to eradicate harmful insects to ensure an increase in agricultural production output.

1189/13104  
CSO: 4200/565

## PRECINCT AGENCY ENCOURAGES FOREIGN REMITTANCES

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Mar 87 p 1

[Article by T.Q.T.: "Precinct 5 Raw Materials Procurement Agency Rapidly Transferring Foreign Exchange, Equipment, and Machinery Sent By Vietnamese Living Abroad to Relatives in Vietnam"]

[Text] Since the beginning of the year thousands of Vietnamese living abroad have sent foreign exchange, materials, raw materials, equipment, and machinery to relatives via the Precinct 5 Raw Materials Procurement Agency. With regard to foreign exchange, the agency imported thousands of tons of materials and raw materials of all kinds and brought them into production, including 600 tons of PP and PVC plastic, 48 tons of "ambavit" (to serve animal husbandry and produce growth hormones), more than 50 tons of chemicals, and materials for the printing sector. The agency has also imported 104 industrial sewing machines, along with spare parts and equipment, to set up the Precinct 5 Export Clothing Enterprise.

The reason why the Precinct 5 Raw Materials Procurement Agency has the confidence of its customers is that it quickly pays Vietnamese money to people receiving foreign exchange and has set up agencies in a number of countries to help Vietnamese living abroad to transfer money electronically (by telex) to their relative which is many times faster than sending money by mail. Furthermore, by means of the agency network the organization purchases machinery and equipment for the production units and helps Vietnamese living abroad to send machinery to their relatives in Vietnam in foreign ships which carry cargo for the Precinct 5 Raw Materials Agency.

The agency also coordinates with the Fatherland Front and the precinct Small Industry-Handicrafts Enterprise Federation in encouraging families with sources of money and goods to organize production in accordance with Decision 34.

5616

CSO: 4209/422

## TAX COLLECTION STATIONS ON ROADS ELIMINATED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 25 Mar 87 p 1

[Text] Implementing Decision 30-CT of the Chairman of the Council of Ministers on eliminating the control stations on roads, the Central Industrial-Commercial Tax Department has issued a guidance document to the tax branches and offices in the provinces and districts to eliminate inspections and tax collection stations on roads and at transportation centers, and to collect taxes one time, at the source. If at a selling location tax cadres carry out an inspection and find that the merchant has no receipts, the tax evader must pay a fine and pay the taxes.

The tax cadres who previously worked at the joint inspection stations on the roads will be sent to the basic level so that they can closely monitor activities and cooperate closely with the market management committees and the masses in uncovering and promptly prosecuting black marketers.

The tax sectors of the provinces and municipalities must also change their forms of tax collection to contribute to encouraging the circulation of agricultural products and foodstuffs and reduce the imbalance between supply and demand in all areas.

5616

CSO: 4209/422

## INCORRECT ECONOMIC VIEWPOINTS CRITICIZED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Mar 87 p 1

["Speak Frankly, Speak the Truth" column: "Incorrect Economic Viewpoints Create Many Serious Consequences"]

[Text] The party, the state, and the people realize that because of sluggishness in economic thought our country's economy has not developed as desired.

Decision 34 of the Municipal People's Committee has created impetus for the development of small industry in the city.

But there are other trades--such as fishing and maritime products--which have not received attention although they greatly benefit the state.

The raising of maritime products has been developed only during the past several years and the area harvested is small. The catching of aquatic and maritime products has always been a great source of profit. But why has fishing developed in some places but not in others, and the living standard of the fishermen is too high in some places and too low in other places, so they must go elsewhere to earn a living or change trades, even though their new trade is not appropriate to their capabilities.

Are those disparities due to the influences of unproductive land and seas? Duyen Hai and Vung Tau-Con Dao are only a river mouth apart. The sea off Duyen Hai is very productive and export shrimp are caught there the year around. However, some Duyen Hai fishermen who have changed over to the shrimping trade have to operate out of Vung Tau, even though they ply their trade off Duyen Hai. Seldom do Duyen Hai fishermen work near Vung Tau. That is because the state purchasing of shrimp and fish in Duyen Hai is bureaucratic, prices are not fair, and money is not paid promptly. State purchasing cadres sometimes do not pay fishermen who sell shrimp until a month later.

The price paid by the Export-Import Supply Corporation of Duyen Hai District is low, and when the shrimp is resold to private merchants each order is 10 percent or short. Thus the fishermen of Duyen Hai are greatly harmed.

Every day the workers who come to the plant to shell shrimp are given small shrimp which are difficult to shell, while large shrimps are reserved for the plant's personnel.

Ater shelling the shrimp the workers are given coupons instead of being paid money right away (each person is paid 100 dong or less), and are not paid until 5 to 7 days later. People who are hard-up for money and must sell the shrimp coupons lose 10 percent. But they must sell them because "what the hands make the jaws chew." If they did not sell them they could not live.

That is the pathetic life of the fishermen. Who bought those coupons? The employees of the Frozen Food Corporation.

5616

CSO: 4209/422

## WAYS TO INCREASE PRODUCTION OF CORN SILK CARPETS DISCUSSED

Hanoi NHAN DAN in Vietnamese 25 Mar 87 p 2

[Article by Anh Long: "Export Goods Program: Capabilities for Increasing the Volume of Production of Corn Silk Carpets for Export"]

[Text] Corn silk carpet goods are expanding. If the export value in 1983 is set at 100 percent, the value in 1984 was 120 percent, that in 1985 was 169 percent, and the 1986 value was 281 percent (32 percent above the planned target). Much progress has been made in organizing the production, purchase, and export of corn silk carpets. The units that have had a high volume of production include Hai Hung, 180,000 square meters, Vinh Phu, 120,000 square meters, Ha Bac, 138,000 square meters, and Hanoi, 334,000 square meters. In implementing the 1987 plan, to date, many localities such as Vinh Phu, Ha Bac, and Thanh Hoa have signed production contracts for quantities equal to 150-200 percent as compared with the amounts produced last year. The General Corporation for Export-Import of Handicrafts and Art Objects, Ministry of Foreign Trade, has signed contracts to export more than 2.5 million square meters of corn silk carpets, which is equal to 260 percent as compared with 1986.

However, the increases mentioned above are still insufficient to satisfy market demand. Recently, the general corporation had to export hundreds of thousands of square meters of rush carpets to foreign customers in place of corn silk carpets based on the contracts already signed. And it still owed almost 100,000 square meters, which must be sent this year.

Could it be that the volume of production of this type of good cannot be expanded quickly? The director of the Hai Hung Rattan and Corn Corporation, which is one of the five main units and which exceeded the contract signed with the General Corporation for Export-Import of Handicrafts and Art Objects by 20 percent in 1986, said that each year, Hai Hung plants [illegible] to 5,000 hectares of corn. Each hectare yields 0.5 tons of corn silk. Thus, the entire province produces more than 2,000 tons (on the average). This amount of corn silk is sufficient to produce 700,000 square meters of carpet (last year, the entire country produced only about 1 million square meters).

Corn grows well throughout the country. Counting only half of the provinces and cities, such as Hai Hung, that have production capabilities, more than

40,000 tons of corn silk can be harvested each year. If half of this is used as a raw material, the approximately 7,000 laborers can produce 5 million square meters of corn silk carpets for export. At today's prices, this would bring in 10 million dong in foreign currency. But there are only five localities that make full use of the corn silk to make carpets. Many districts, villages, and cooperatives in places that grow much corn have not given attention to obtaining and processing this type of material. The collection of the corn silk is usually done in a spontaneous and unorganized manner, and incomes are low. As a result, results are very limited. Each corn season, tens of thousands of tons of corn silk are burned in stoves. This is the case even though many production installations with good skills lack raw materials to produce corn silk carpets. Because of the lack of organization and guidance, corn silk twinning and carpet making have not expanded even though this is quite simple.

There is also a serious shortage of secondary materials for the production installations. This includes ink, jute fiber, and sulphur. Only 20-30 percent of the amounts needed are being supplied, and the materials are not supplied on time. Because of the lack of sulphur to dry the materials, production installations in Thuan Thanh District, Ha Bac Province, had to throw away 18 of the 20 tons of corn silk because of mildew. Some localities that grow jute deliver 100 tons of jute every year. The local installations that produce corn silk carpets for export ask to purchase only 2 tons of jute for use in making corn carpets but they are refused.

The policies on those who make corn silk carpets are irrational. This is the main obstacle. In Hai Hung, in order to produce 1 square meter of common corn carpeting, producers must spend 100 dong to buy corn twine and 10 dong to purchase sulphur and jute fiber. They can sell the carpet for 150 dong, which gives them a profit of 40 dong. But that does not include taxes, management expenses, insurance premiums, or wages paid to laborers. Similarly, in Ha Son Binh, the "profit" of 47 dong does not take into account the wages that must be paid for the 2.5 days worked and other expenses. Subsidy goods sold to the production installations by the general corporation in accord with the stipulations on foreign currency use rights sometimes fail to reach the producers. Or if they do arrive, they are not in accord with the real situation because of rising prices. In general, today's prices do not cover expenditures or allow the reproduction of the working strength of those who make corn silk carpets for export.

Recently, with a thorough understanding of the spirit of the resolution of the Sixth Party Congress, in order to support the export program, the general corporation met with the foreign trade corporations in the northern provinces, a number of districts, and a number of cooperatives that make corn silk carpets for export. Those at the meeting unanimously agreed to expand the production of corn silk carpets. Many specific measures have been put forth, and a number of proposals have been submitted to the party and state:

First, the districts should be helped to formulate plans and organize the collection of corn silk to make export carpets. A rational wage must be paid, or essential goods such as paper, pens, cloth, and clothing can be exchanged in order to encourage the production installations to make full use of the



working strength (including that at the schools) to do this work. Use must be made of the experiences of a number of places such as Hai Hung. Specialized units consisting of 50 to 100 people must be organized in the agricultural cooperatives, or specialized cooperatives of approximately 300 to 500 people can be organized in places with large sources of corn silk. The production of corn silk carpets must be expanded in the southern provinces having large quantities of raw materials. They must strive to produce 500,000 square meters of corn silk carpets this year.

Second, ties between places with skills and places with raw materials must be expanded. For example, Hanoi initially invested capital, employed techniques, and expanded the production of corn silk carpets in districts that grew much corn, such as Dong Anh, Gia Lam, Dan Phuong, and Hoai Duc. As a result, its volume of production of export corn silk carpets was always the highest of any province or city in the country.

Third, the general corporation must be responsible for providing adequate quantities of and advancing secondary materials such as dyes, sulphur, jute yarn, and rushes to the production installations. Shortages of these items must not be allowed to block production. At the same time, studies must be done to find substitute materials that meet the technical requirements.

Fourth, the purchase price of carpets must be recalculated in accord with the principle of covering rational production expenses based on current prices and ensuring that the producers make a profit in order to reproduce the working strength. The sale of aid goods must be organized well and controlled in a timely manner (based on foreign currency remittances) in order to ensure that things reach the producers and people who gather raw materials based on the policies stipulated.

Fifth, more money must be invested in improving technology, such as providing packing machines to the localities with much corn silk in order to facilitate transporting the raw materials to the installations that make carpets. Studies must be done on manufacturing corn carpet roving frames in order to increase labor productivity. Investments must be made in purchasing or devising small jute fiber roving machines or manual means in order to overcome the present serious shortage of jute yarn. Control over the production process must be strengthened. Studies must be done and the patterns must be improved in order to improve product quality.

Sixth, the localities must be entrusted with the task of exporting this item to socialist countries.

Seventh, the finance sector should improve the tax collection system. The banking sector should create favorable conditions for making loans and drawing cash. The localities must eliminate the obstacles and problems in circulation and coordinate the production of this type of good.

11943

CSO: 4209/405

## ACTIVITIES OF CITY ECONOMIC ARBITRATION UNITS DISCUSSED

Hanoi NHAN DAN in Vietnamese 2 Apr 87 p 1

[Unattributed report: "Ho Chi Minh City, Hanoi, and Haiphong Economic Arbitration Sectors Expand Activities To Help the Production Installations Implement the Economic Contracts Well"]

[Text] Along with putting forth a number of new measures in accord with the special characteristics and capabilities of the localities in order to step up production, implement the three economic programs, and expand commodity circulation, Ho Chi Minh City, Hanoi, and Haiphong have given attention to manifesting the role of the economic arbitration units in managerial and juridical activities with the aim of helping the production and business installations fulfill the economic contracts well.

These three cities now have an economic arbitration system from the city to the wards and districts. They have formed a network of of cadres to manage the economic contracts in almost all the primary-level state-operated units, cooperatives, subwards, and villages. Using many forms and methods of operation, the economic arbitrators of the three cities have begun implementing the motto of using education and prevention with the aim of improving the units' concept of obeying the laws on economic contracts and actively preventing shortcomings and violations stemming from complacency. At the same time, the economic arbitrators in the three cities are striving to implement an inspection and control routine, resolve the disputes, prosecute violations of the contracts, and promptly undo the snarls in economic relationships for the production installations.

Violations of the economic contracts in the three cities have been adjudicated and the violators have been forced to repay hundreds of millions of dong in misappropriated capital and hundreds of thousands of dong in foreign currency in order to guarantee the foreign currency use rights of units with export goods. Fines totaling tens of thousands of dong have been levied, and the units that have caused losses for other units as a result of violating the economic contracts have been forced to pay millions of dong in compensation in order to protect socialist property and the interests of the units involved in economic relationships and maintain socialist law and discipline in production and business.

On 1 April 1987, the key economic arbitration leaders in the three cities organized a meeting to exchange experiences. The meeting was attended by the state economic arbitration chairman. Those at the meeting discussed the organization and implementation of the managerial and juridicial activities in the sphere of economic contracts and economic arbitration in order to help each other manifest the good points, overcome the weaknesses, and evaluate the results of the emulation pledges among the economic arbitration units of the three cities in 1986. Those attending the conference unanimously agreed that the Ho Chi Minh City economic arbitration unit was the leading emulation unit in 1986. At the same time, those at the conference put forth a number of specific norms and measures in order to emulate and strive to do an even better job in 1987 and become a legal tool of the state in guiding economic management.

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ECONOMIC

VIETNAM

## DAC LAC ABOLISHES CHECKPOINTS, PRICES DROP

Hanoi NHAN DAN in Vietnamese 3 Apr 87 p 1

[Unattributed report: "Dac Lac: Since Abolishing the Checkpoints, the Price of a Number of Consumer Goods Has Dropped"]

[Text] Since the inter- and intra-provincial commodity circulation checkpoints were abolished, the cadres and people have been very enthusiastic, because travel by bus to other provinces and within Dac Lac Province is more relaxed than before. The time it takes to travel from Dac Lac to the lowland provinces has been cut in half. At the Dac Lac market, the price of a number of essential consumer goods such as ocean fish, fish sauce, soap, sugar, MSG, cigarettes, and noodles has dropped 30-50 percent as compared with before the checkpoints were abolished. Prior to 20 March, the price of frozen mackerel was 700 dong per kg. The price has now dropped to 350 dong per kg. The price of state-produced Da Lat cigarettes has dropped from 90 dong per pack to 60 dong per pack. The commercial stores now sell MSG for 1,500 dong per kg, but it can be purchased on the free market for 1,240 dong per kg.

In order to oppose tax evasion with respect to industrial and commercial taxes and combat speculation, smuggling, and illegal business activities, the Dac Lac provincial People's Committee has stipulated a number of positive measures such as solidifying and perfecting the market reform and management boards of the province, districts, and cities. These boards have been strengthened with capable cadres of good moral quality. These cadres will carry out tasks in various locations. Also, the people have been encouraged to participate actively in opposing speculation, smuggling, and illegal business activities.

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## REASONS FOR DECLINE OF CARPET WEAVING IN HANOI DISCUSSED

Hanoi NHAN DAN in Vietnamese 3 Apr 87 p 2

[Article by Hoang Quan, Thai Ha Carpet Corporation, Hanoi: "Why Has Carpet Weaving in Hanoi Declined?"]

[Text] Hanoi is well known for weaving carpets for export. The first installation was the Dong Da Cooperative in Dong Da Ward. In 1973, the Thai Ha Export Carpet Corporation was established and made solely responsible for business activities involving carpet goods (woolen, jute, and rush carpets, straw mats, corn silk carpets, jute gunny sacks). With suitable forms of production and business organization (contract ordering woolen, semiwoolen, and jute carpets and purchasing corn silk carpets), the corporation developed the carpet industry in both the urban area and the suburbs. It had more than 100 production installations and approximately 15,000 laborers (of which 6,000 were specialists). The year 1985 was its peak year.

Prior to that, it had always made progress. But in 1986, it slipped back. The value of production was only 70 percent of the planned norm. In 1987, the corporation is making a great effort, but the planned figures are still low. They are only about one-half of the production capacity of the city's carpet sector. Some cooperatives have accepted plans for 50,000 square meters. But the production installations have the capacity to produce much more than that if they are supplied with enough materials and raw materials. The fact that the industry is "suffering difficulties" is quite evident: from a peak of 6,000 cooperative members who specialized in weaving carpets, there are now only 2,000.

## Changes in Markets and Plans

Prior to 1982, foreign customers were very fond of jute carpets. This type of good was Hanoi's speciality. Hanoi concentrated its investments on purchasing equipment and training people. In 1983, other provinces began concentrating on this type of good, but they did not follow a unified plan and so quality declined and the trust of the customers was lost. The corporation and the Dong Vinh Cooperative in Dong Da Ward took steps to improve the quality and art work. Those in the business referred to these as Ba Dinh carpets. The trust of people was restored to a degree.

Then came the turn of just carpets, which were woven of small fibers by machine and which were referred to as Long Bien carpets. Customers ordered large quantities of these carpets. But this type of good was not the speciality of the Hanoi carpet sector. The workers were not used to making this type of carpet, labor productivity was low, and the excellent workers could weave only 8 square meters of Long Bien carpet per month (they could weave up to 30 square meters of Ba Dinh carpet). An even greater difficulty was that all the equipment (looms, wire healds, and so on) had to be replaced. This was very expensive, and many of the production installations couldn't do this. A number of the installations had to shut down, and the carpet weavers had to find other jobs. This included the Tam Hiep Cooperative in Thanh Tri District and the La Phu Cooperative in Hoai Duc District. Other installations such as the Tin Thanh and Co Do cooperatives in Dong Da Ward could produce only small amounts. They agreed to weave 5-7,000 square meters but actually wove only 500 square meters.

Replacing almost all the equipment and improving the skills of the weavers in order to increase labor productivity and the output of Long bien carpets was a very expensive measure for all concerned, from the production installations to the Thai Ha Carpet Corporation. This is the main cause of the deterioration of the Hanoi carpet industry.

#### Lack of Synchronization in Managing the Plans, Delays in Changing the Economic Policies

The management system charts for the Hanoi carpet sector are rather cumbersome and unwieldy. There are six or seven types of goods under the control of two ministries. The Ministry of Foreign Trade is responsible for rush and corn silk carpets and door mats. The Ministry of Light Industry has been responsible for woolen and jute carpets since 1985. The Thai Ha Carpet Corporation maintains a relationship with these two ministries through the Hanoi Federation of Export-Import Enterprises. As for the carpet goods managed by the Ministry of Light Industry, with the exception of woolen carpets and Long Bien jute carpets, the 1986 planned norms for Ba Dinh carpets are not in balance with respect to raw materials. The ministry is requiring the corporation to "provide its own raw materials" and given it permission to "purchase goods based on the high price." At times, the localities have reserved jute thread for export to obtain foreign currency and so the corporation has been able to obtain only enough raw materials to weave 50,000 square meters of carpet, a very small figure. Sources of raw materials for producing corn silk carpets are also very unstable, because there is work only if there is a good corn harvest and purchases are made actively.

Prices have fluctuated greatly. The price of raw materials has increased rapidly, but the price of the goods has increased slowly. In 1985 and 1986, the price of rush and corn silk carpets (controlled by the Ministry of Foreign Trade) quadrupled. The price of other primary goods (controlled by the Ministry of Light Industry) doubled. Also, accounts are paid late (to date, the jute carpet cooperatives have not been paid the 1985 export bonus).

Finally, production has declined. Some types of goods have lost money. The carpet weavers work hard, but their incomes are low.

In the suburbs, the weaving of woolen carpets is done at the agricultural cooperatives. There are difficulties in dividing things between the agricultural production and handicrafts sectors. In some places, agricultural laborers are paid 38 dong per man-day while carpet weavers earn only 20 dong. Weavers have abandoned their looms to work in other sectors, such as grinding talc, making glue, and making noodles.

#### Resolving the Difficulties and Changing Management

The public expects the Hanoi export carpet sector to make timely changes. Specifically:

Management refers to making innovations. The planned norms must be fulfilled by the ministries responsible by balancing the raw materials and supplying convertible commodities (with primary goods).

The price policies (price of raw materials, product purchase prices, transportation charges, and other expenses) and the policies on sharing the profits in foreign currency must be changed promptly in a way that will ensure that production and business make a profit in order to have expanded reproduction and provide the laborers with an adequate income. The situation in which a number of other organizations come to the carpet weaving installations in order to purchase goods at high prices using exports or other goods must be stopped.

Adequate attention must be given to the social position of the carpet weavers. The grade of the workers in this sector must be studied and set. It must be recognized that collective handicraft workers are an element of society in expanding the participation of the working class. The highly skilled workers and artisans in the carpet sector must be given the proper amount of attention and paid suitable compensation.

The situation in which the same few patterns and designs are used over and over again for years must be overcome by organizing things and encouraging the creation of new patterns and designs in accord with the preferences of the customers.

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CSO: 4209/409

## PHU KHANH IMPLEMENTS ECONOMIC PROGRAMS, RESOLUTION

Hanoi HANOI DOMESTIC SERVICE in Vietnamese 12 May 87

[Statement by Vo Hoa, Chairman of the Phu Khanh Provincial People's Committee on implementation of the Party Central Committee resolutions; date not given--recorded]

[Summary] Since the liberation of South Vietnam, Phu Khanh Province, a province with great economic potential, has made great efforts in developing its economic, cultural, and social domains. The following is a statement by Comrade Vo Hoa on Phu Khanh's objectives and measures to implement the three major economic programs and the Party Central Committee's second plenum resolution.

[Begin Vo Hao recording] Compared with 12 years ago Phu Khanh Province has improved considerably in the economic, cultural, and social domains. We have surged forward from a province insufficient in food to a self-reliant locality which can provide grain procurement. Along with accelerating agricultural development, Phu Khanh has rapidly developed the small industry and handicraft sector while restoring many other branches and occupations, including some traditional production establishments to increase the volume of consumer and export goods.

Dealing with measures to implement the three major economic program, Vo Hao said:

[Begin recording] "Regarding the grain and foodstuffs program, our objective is to strive to produce 650,000 metric tons of grain converted to paddy equivalent by the year 1990, that is on the average, Phu Khanh must strive to increase its grain production output by 50,000 metric tons annually. We are continuing to apply intensive cultivation and strive to increase area for subsidiary food crops by 20 percent." We are also striving to improve and develop livestock raising and fishery.

"Regarding the production of consumer goods program, our objective is to strive to increase the production value of industrial, small industrial, and handicraft products by 22 percent annually,



especially the production of traditional goods using local materials." We have also cooperated with adjacent provinces to integrate more capital to rapidly improve consumer goods quantitatively and qualitatively in order to produce diversified commodities to meet demands of people in the region.

"Regarding the production of export goods, our target is to obtain an export goods value of 50 million rubles and dollars by the year 1990. For us, this is the most difficult target to obtain and it is essential for us to take our most concrete measures to fulfill this task." [end recording]

Dealing with measures to make the resolution of the Party Central Committee Second Plenum a reality so as to contribute to the stabilization of the nation's socioeconomic situation, Comrade Vo Hoa said:

[Begin recording] "Carrying out the resolution of the Party Central Committee Second Plenum, Sixth Term, at a time when we are preliminarily summing up our achievements in the 1st Quarter of 1987, and in implementing the spirit and letters of this resolution--on the direction of eliminating bureaucratic centralism and state subsidies and shifting economic activities to socialist business accounting in accordance with the principle of democratic centralism to make the whole system of production and circulation function in compliance with the objective law to quickly increase social products--Phu Khanh Province has strengthened its guidance apparatuses of the standing bodies of the provincial party and people's committees as well as those of the financial, banking, prices, and planning sectors. These tasks are aimed at integrating efforts and formulating plans to solve pressing problems on distribution and the circulation of goods. We are working closely with production establishments to review various projects on good production, labor, and wages to carry out tasks effectively in order to help enterprises achieve a correct and accurate calculation for stabilizing production to gain profit, fulfill obligation toward the state, and increase the income of workers, thereby contributing to reducing the budget deficit, preventing price increases, and reducing difficulties in the worker's daily life."

The implementation of the Party Central Committee's Second Plenum resolution by Phu Khanh Province is still incomplete, yet its achievements in the 1st Quarter of 1987 indicated that progress has been made in the production of grain and foodstuffs, consumer goods, and export goods. [end recording]

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## NGUYEN THANH BINH URGES MORE MARKET GARDENING

Hanoi HANOI DOMESTIC SERVICE in Vietnamese 13 May 87

[Text] Nguyen Thanh Binh, politburo member of the CPV Central Committee and Secretary of the Hanoi Party Committee, has called upon the farmers and state employees on the outskirts of the capital to promote their market gardening in order to supply more food for the city and improve their living standard and the ecosystem.

Addressing a conference held here recently to discuss measures for the development of market gardening, Nguyen Thanh Binh said:

"Household economy in general and market gardening in particular have played a very important role in supplying food and foodstuffs for the people's daily life. They represent about 60-70 per cent of the total income of each peasant family.

"An age-old occupation in Vietnam, horticulture has brought large incomes to many families. Household economy including the vac system (garden-pond-pigsty) has long been a complete ecosystem which brings high economic profits while protecting the environment.

"Our farmers have accumulated a wealth of experiences in this field and many cooperatives in the suburban areas of Hanoi have thrived thanks to gardening. The Da Ton Co-op for instance, has been able to give a free lunch to the 300 children of the creche.

"However, market gardening should be undertaken in the context of a simultaneous development of all economic sectors, state, collective and family, for which the state run sector must play the key role.

"Our party has issued a policy to encourage household economy aimed at tapping the great potentials in manpower and land resources, in raw materials and capital in order to boost production, improve the people's living conditions and continually increase social products".

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## BRIEFS

HANOI ROUNDUP OF CSSR ECONOMIC GROUP'S ACTIVITIES--After a visit to Vietnam to attend the eighth session of the SRV-CSSR Commission for Economic, Scientific, and Technical Cooperation, the Czechoslovak economic delegation led by Comrade Rudolf Rohlicek left Hanoi on 10 May. Seeing the delegation off were Comrades Tran Duoc Luong, Mai Tri, and other members of the Vietnamese Government economic delegation and representatives of the Ministry of Foreign Affairs. Czechoslovak ambassador to the SRV, Miroslav Kapoun, and cadres of the CSSR Embassy were also present. Before leaving Hanoi, the CSSR delegation was received by and held cordial talks with Comrade Do Muoi, member of the Political Bureau and Secretary of the CPV Central Committee. During its stay in Vietnam, the delegation paid a tribute to President Ho Chi Minh at his mausoleum and visited his home and office. The delegation also visited a number of economic and cultural establishments in Hanoi and Ho Chi Minh City and met and worked with officials of some ministries and sectors concerned. The Ho Chi Minh City People's Committee received and hosted a dinner for the Czechoslovak delegation. [Text] [Hanoi HANOI DOMESTIC SERVICE in Vietnamese 10 May 87] 8405/13104

SRV-USSR ECONOMIC SYMPOSIUM HELD AT HANOI COLLEGE--A Vietnamese-Soviet symposium on economic issues during the transitional period toward socialism has been held at the Hanoi College of National Economics. Nearly (number indistinct) research papers, products of the cooperation between the Hanoi College of National Economics and the Moscow Plekhanov Institute of National Economy, were delivered at the symposium. They dealt with the politico-economic issues, the struggle between the two ways--socialism and capitalism--in the economic field, the national economic planning in the transitional period, experiences in developing agriculture and industry, and new economic policies in the Soviet Union and Vietnam. [Text] [Hanoi HANOI DOMESTIC SERVICE in Vietnamese 14 May 87] 8405/13104

CSO: 4200/565

## LAWS GOVERNING MARRIAGES, FAMILIES PUBLISHED

Hanoi NHAN DAN in Vietnamese 9 Jan 87 p 3

[Text of Law: "Law on Marriage and the Family"]

[Text] The family is a cell of society. One must have good families to have a good society and once the society is good the families become better.

In the socialist family husband and wife are equal, they are loving and help each other progress: they actively participate in the building of socialism and the protection of the fatherland; and together they raise their children to become useful citizens of society.

Inheriting and expanding upon the Law on Marriage and the Family of 1959, the new law will, in order to continue building and consolidating the socialist family, maintain and promote the fine customs and practices of our people, eliminate the backward customs and remnants of the feudalistic marriage and family systems, and fight against the influences of the bourgeois marriage and family system; based on Articles 64 and 75 of the Constitution of the Socialist Republic of Vietnam the following law stipulates our marriage and family system.

## Chapter I

## General Provisions

Article 1. The state guarantees the implementation of a marriage system which is voluntary, progressive, monogamous, with equality between husband and wife, aimed at the building of a democratic, peaceful, happy, and lasting family.

Marriages between Vietnamese citizens belonging to different nationalities, to different religions, and between a religious and non-religious persons are respected and protected.

Article 2. A couple has the duty to produce children in accordance with a plan.

The parents have the duty to raise and teach the children to turn them into useful citizens of society.

The children have the duty of respecting, taking care of, and nursing the parents.

Article 3. The state and the society protect the mothers and the children, helping the mothers to fulfill well their noble role as mothers.

Article 4. Early marriage, forced marriage, obstruction of voluntary and progressive marriage, and demands for dowry in marriage are expressly forbidden; forced divorce is likewise forbidden.

It is expressly forbidden that currently married persons enter into a new marriage or a common law marriage with a third person.

It is expressly forbidden to mistreat or physically abuse one's parents, spouse, or children.

## Chapter II

### Marriage

Article 5. Only males of 20 years of age or more and females of 18 years of age or above are allowed to marry.

Article 6. A marriage in an act of voluntary decision by a man and a woman with no coercion on either side, nor can it be forced or impeded by anyone else.

Article 7. Marriage is forbidden in the following situations:

- a) When one already has a spouse;
- b) When one is mentally ill and unable to know what one is doing; or when one has venereal disease;
- c) Between directly related blood kin; between siblings of the same parents or siblings sharing one parent; and between people other than the above as long as they are related within the scope of three generations;
- d) Between a foster parent and an adopted child.

Article 8. The act of marriage must be recognized by the people's committee of the village, subward, or township in the place of residence of one of the two marriage partners and it must be recorded in the marriage register as stipulated by the state.

The marriage among Vietnamese nationals abroad is to be recognized by the diplomatic representative office of the Socialist Republic of Vietnam.

All other marriage rituals have no legal value.

Article 9. An act of marriage which violates one of the stipulations found in Articles 5, 6, or 7 of this law is considered illegal.

When one or both parties to a marriage is married illegally, the spouse or children of the already married party, the People's Control Organ, the Vietnam Women's Union, the Ho Chi Minh Communist Youth Union, or the Vietnam Trade Union can request that the people's courts annul the illegal marriage.

The property of the partners in an annulled marriage is taken care of in accordance with the following principle: the personal property of each partner goes with him or her; the common property is divided up on the basis of the relative contribution of each side; the legitimate rights of the party cheated or forced into the marriage are to be protected.

The rights of the children involved are to be taken care of as in the case of divorced parents.

### Chapter III

#### Obligations and Rights of a Spouse

Article 10. A husband or wife has equal rights and obligations in all aspects within the family.

Article 11. Spouses have the obligation of remaining faithful to each other, of loving, respecting taking care of each other, helping each other progress, and of implementing planned parenthood together.

The husband has the duty to create the conditions necessary for the wife to realize well her function as mother.

Article 12. Spouses have the right to choose a legitimate profession, to participate in political, economic, cultural, and social activities.

Article 13. The residence of the married couple is up to them, without their being bound by customs or social habits.

Article 14. The common property of the married couple is made up of the property created by the spouses themselves, of their occupational income as well as of other legal income during their marriage, and of the inherited property that they receive together or are given together.

Article 15. The common property is used to take care of common requirements of the family.

The spouses have equal rights and obligations when it comes to this common property. Any sale or purchase, exchange, giving away, borrowing, or renting or any other transaction relating to the common property and involving a sizeable value must have the agreement of both spouses.

Article 16. In the case of property belonging to the husband or wife before their marriage, of property inherited individually or given to only one of the two partners during their marriage, the owner of that property has the right to incorporate that property into common property or retain it as individual property.

Article 17. When one of the partners dies, if there is the need to divide up the common property it should be divided into two. The personal property of the deceased is to be divided in accordance with the stipulations of the law regarding inheritance.

The wife or husband has the right to inherit the deceased spouse's property.

Article 18. While the marriage is in force, should there be a request by one of the spouses for a legitimate reason, the common property of the spouses can be divided up in accordance with Article 42 of this Law.

#### Chapter IV

#### Obligations and Rights of the Parents and Children

Article 19. The parents have the obligation to love, raise, and educate their children, to take care of their training and the healthy development of the children from the point of view of their physical, intellectual, and moral growth. The parents must be good examples for the children in every aspect and coordinate closely with the school and other social organizations to educate their children.

Article 20. The parents have to take care of grown up children who are not able-bodied.

Article 21. The children have equal obligations and rights in the family. They are to respect, to take care of, and to feed their parents, and listen to the parents advice.

Article 22. Grown up children who live together with their parents have the right to choose their profession, to participate in political, economic, cultural, and social activities.

Article 23. The children are entitled to their own property. The children 16 years old and above who live with their parents have the duty to take care of the common life in the family, and if they have their own income they are to contribute to the needs of the family.

Article 24. The parents represent their minor children in legal matters.

The parents are in charge of managing the property of minor children.

Article 25. The parents are responsible for paying for any damage incurred through the illegal acts of minor children under 16. In case the parents are unable to do so, should the child in question have his her own property that property can be used to pay for the damage. Minor children above 16 years are responsible for paying with their own property for any damaged caused through their violations of the law. Should they have no property of their own, the parents would have to pay for it.

Article 26. Should a parent be judged to have physically abused the dignity of a minor child, to be seriously cruel to or to have tortured a minor, the people's courts can decide not to give him/her custody of the child, not to let him/her educate the child, manage the latter's property, or represent the latter during a period from 1 to 5 years. In the case of those who may have corrected themselves the court could reduce the sentence.

A parent so sentenced still has the obligation to pay towards the cost of raising the child.

Article 27. The grandparents have the obligation to raise and educate their grandchildren in their minority should the children become orphans. Grown grandchildren have the obligation to take care of their grandparents when the latter do not have any surviving children of their own. Siblings have the obligation to take care of one another in case the parents are no longer living.

## Chapter V

### Determination of Parenthood for the Children

Article 28. Children born of a marriage or born from a pregnant wife during the marriage period become the common children of both husband and wife.

In case there is a request to redetermine the parenthood of the child, then other proof will have to be produced.

Article 29. The person declared to be the father or mother of a child can ask that the child be determined whether or not the child is one's actual offspring.

A person who has not been declared to be the father or mother of a child can also ask that the child be determined to be one's own.

Article 30. The recognition of a child out of wedlock by a parent is to be recognized by the people's committee of the village, subward, or township of the child's residence and to be recorded in the birth register.

Article 31. A child born out of wedlock has the right to recognize his/her father or mother even in case the father or mother have died.

A mother, a father, or a guardian has the right to ask that a child born out of wedlock find a determination of his/her father or mother when he is still in his minority.

The People's Control Organ, the Vietnam Women's Union, the Ho Chi Minh Communist Youth Union, the Vietnam Trade Union are all entitled to request a determination of parenthood for a minor child born out of wedlock.

Article 32. A child born out of wedlock who has been recognized by his or her parents (either father or mother) or who has been allowed to recognize his or her parents by a people's court has all the rights and obligations as one who is born into a legitimate marriage.

Article 33. All disputes concerning child or parent recognition are to be decided by the people's court of the locality of residence of the child.



## Chapter VI

### Adopting a Child

Article 34. The adoption of a child is meant to bind emotionally the parent of adoption and the adopted child in a parent-child relationship, thus guaranteeing that the adopted child in his minority be fed, taken care of, and educated well.

Between the parent of adoption and the adopted child there are obligations and rights belonging to parents and children as stipulated in Articles 19 to 25 of the present law.

Article 35. Only a child 15 years old or younger can be taken as an adopted child. In the case of wounded soldiers, of handicapped persons, or those adopted by lonely and helpless old people, those above 15 can still be adopted.

The parent of adoption must be older than the adopted child by 20 years or more.

Article 36. The adoption of a child must have the consent of both husband and wife in the case of the parents of adoption, of the natural father and/or mother of the adopted child in his minority, or of his/her guardian. Should one adopt a child 9 years old or older one should have his/her consent also.

Article 37. The adoption of a child is to be recognized and recorded in the vital statistics record by the people's committee of the village, subward, or township of the place of residence of the parent of adoption or of the adopted child.

Article 38. The state and the society encourage the adoption of orphans as adopted children.

A dead hero's child, even when he/she has been adopted by another family, is still entitled to all the privileges of a dead hero's child.

Article 39. The adoption of a child can be terminated when the parent of adoption or the adopted child has done something seriously damaging to the body or dignity of the other, or when they have done other acts leading to the cancelation of all emotional bonds between the parent of adoption and the adopted child.

The termination of an adoption is to be decided by the people's court based on the request by either the adopted child or the parent of adoption. In case the adopted child is still in his/her minority, either the natural father or mother or the guardian of the child, the People's Organ of Control, the Vietnam Women's Union, the Ho Chi Minh Communist Youth Union, or the Vietnam Trade Union are all entitled to request a termination of the adoption.

## Chapter VII

### Divorce

Article 40. When either wife or husband, or both, have put in an application for divorce the people's court will investigate and try to reconcile the couple.

In case both husband and wife request the divorce, if reconciliation has failed and it turns out that both sides voluntarily seek the divorce, the people's court will allow the divorce take place.

In case only one side seeks the divorce, should reconciliation fail, the people's court will sit in judgement. Should the situation be found to be serious to the point that life together cannot endure much longer, thus negating the very objective of marriage, the people's court would judge to let the divorce take place.

Article 41. In case the wife is pregnant the husband can ask for a divorce only after waiting 1 year after the child is born.

This limitation doesn't apply in the case of the wife seeking the divorce.

Article 42. In a divorce the division of property is to be decided by mutual agreement of the two parties, and this must be recognized by the people's court. The people's court will decide only in case the two sides cannot come to a mutual agreement.

The division of property upon divorce, in principle, must follow the following stipulations:

- a) The private property of each side continues to belong to the owning party;
- b) The common property of both husband and wife is to be divided by two but it must be rationally based on the situation of the property, on the concrete situation of the family, and on the contributions that each side has made to that property;
- c) In case both husband and wife still live with the extended family, thus making it impossible to determine the actual part of the property belonging to the husband and wife, either the husband or the wife will be entitled to one share of the common property belonging to the extended family. This is to be based on the contributions that the party concerned has made to the maintenance and expansion of the common property as well as on the contributions he/she has made to the regular upkeep of the extended family. The amount of labor contributed to the family is considered to be the same as production labor;
- d) In the division of property one must guarantee the rights and privileges of the wife and of the children in their minority; one must also protect the legitimate interests of production and of the profession.

Article 43. In a divorce should the party that is economically distressed as a result request that it be assisted then the other side must help to the extent of its capabilities.

The amount of the alimony and the duration of such assistance are to be agreed upon by both sides. Should the two sides be unable to agree between themselves the people's court will make a decision.

Under changing circumstances, the beneficiary of the alimony or the person required to provide it may ask that either the level of the alimony amount or its duration be changed. Should the beneficiary of the alimony remarry he/she is not longer entitled to it.

Article 44. Divorced parents retain all their obligations and rights in regard to their common children.

Article 45. In a divorce the question of whom to assign the care, feeding, and education of the minor children must be based on the multifaceted interests of the children. In principle, children who still have to suck for their milk are to be assigned to their mothers.

The person who does not have the charge of taking care of the children has the obligation and the right to visit, looking after the interests of the children, and he/she has to contribute towards shouldering the cost of feeding and educating the children. Should he/she procrastinate on this duty or even avoid the payment, the people's court will make a decision to take it off from his/her income or to force him/her to come up with the money.

When necessary and in the interest of the children, the responsibility for taking care of them or the level of contribution towards their upkeep and education can be transferred to the other party.

## Chapter VIII

### Guardianship

Article 46. Guardianship must be procured in the situation of a minor child needing care and education or protection when he/she is bereft of the parents or when the parents are alive but not in position to carry out the above responsibilities.

Article 47. The parents can designate a guardian for their minor children. When the parents are unable to do so the close relatives of the child can designate such a person. The designation of a guardian is to be recognized by the people's committee of the village, subward, or township.

In case the parents or close relatives are unable to designate the guardian the responsible state organ with such a function or a social organization would take charge of the guardianship of such minor.

Article 48. The citizen who acts as a guardian must be 21 years old or above, he/she must be a morally upright person and be self-supporting to be a guardian.

Article 49. The citizen or organization that serves as the guardian of a child has the following responsibilities and rights:

- a) To take care of and educate the child in one's guardianship;
- b) To manage the property of the child in one's guardianship;
- c) To represent the child in one's guardianship in court and protect his/her rights.

Article 50. The guardian-citizen must submit to the supervision of the people's committee in the village, subward, or township as far as his guardianship is concerned.

The relatives of the child in guardianship, the People's Control Organ, the Vietnam Women's Union, the Ho Chi Minh Communist Youth Union, and the Vietnam Trade Union all have the right to ask that the people's committee of the village, subward, or township change the guardianship should the latter turn out not to fulfill his responsibilities and cause serious damage to the interests of the child under guardianship.

The guardian-citizen can request that someone replace him/her when he/she feels that he/she no longer fulfills the conditions to be a guardian.

Article 51. A guardianship is terminated when the child under guardianship is returned to his/her parents, when he/she is adopted, or when he/she reaches 18 years of age.

## Chapter IX

### Marriage and Family Relationships of a Vietnamese Citizen With Foreign Nationals

Article 52. In the marriage of a Vietnamese citizen with a foreign national, each side is to follow the legal stipulations of his/her country in regard to marriage.

If the marriage between a Vietnamese citizen and a foreign national takes place in Vietnam the foreign national must also follow the stipulations found in Articles 5, 6, and 7 of this law. The marriage procedures are to be decided by the Council of Ministers.

Article 53. Questions such as the conjugal relationship, the property relationship, parent-child relations, the annulment of marriage or divorce, and the adoption or guardian of a child involving a Vietnamese citizen and a foreign national are to be decided by the Council of Ministers.

Article 54. In instances where there has been an agreement on judicial and legal help between Vietnam and a foreign country concerning marriage and the family, one must follow the stipulations of such an agreement.

## Chapter X

### Final Provisions

Article 55. In regard to the minority nationalities, the Council of Ministers will base decisions on the present law and the concrete situations of each group to come up with appropriate stipulations.

Article 56. The Council of Ministers, the Supreme People's Court, the Chairman of the Supreme People's Control Organ are all responsible, within the scope of their functions, for helping with the guidance in the application of this law.

The Vietnamese Fatherland Front, the Vietnam Women's Union, the Ho Chi Minh Communist Youth Union, and the Vietnam Trade Union are to educate and motivate the people to implement this law strictly.

Article 57. The present law replaces the Marriage and Family Law of 1959.

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The present law has been passed on 29 December 1986 by the National Assembly of the Socialist Republic of Vietnam in its 7th session, 12th meeting.

President, National Assembly

Nguyen Huu Tho

1751/12951

CSO: 4209/287

END

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