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# Southeast Asia Report

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8 MAY 1987

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BURMA

VOPB ON BURMA'S STATUS AS LEAST-DEVELOPED NATION

BK221129 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT  
21 Apr 87

[Unattributed "Article": "The Burma Socialist Program Military Government is Having to Ask for Recognition of Poverty Status"]

[Text] Please include Burma in the list of the world's least-developed countries, was the plea; but it was not made by the people engaged in the armed struggle, nor by the people suffering from shortages of goods, rising prices, and scarcity of jobs. It was a request by the Burma Socialist Program [BSP] military government itself at the United Nations.

The statement may seem strange to the Burmese people because only the good things are propagandized at home by the military government. Internationally, however, it can no longer put up a pretense or hide the truth. Hence a request was put forward for Burma to be recognized as a Least Developed Country. The request can be explained to the common people as something akin to a declaration of bankruptcy in court.

The building of a Burmese socialist system in Burma for over 25 years by the ruling military clique and its sole monopoly party has now put Burma in the list of the world's least-developed countries. The BSP military government has pushed up the country's external debt from \$100 million in 1973 to about \$3.7 billion in 1986. The ability to make the external debt rise by about 250 percent [figure as heard] in 7 years is but part of the efficiency of the military government, because it has also managed to reduce the foreign exchange and gold reserves from about \$260 million in 1980 to about \$33 million today. In other words, the military clique should be recognized for its efforts to squander the reserves to the tune of about \$40 million every year over the past 6 years. Today, the BSP military clique has set records, in a negative way, for owing the most foreign debt and having the least foreign exchange and gold reserves since it came into power.

The trading situation is also no better either for the present or the foreseeable future. The trade deficit and the debt servicing ratio are on the rise. Last fiscal year, the amount of foreign debts owed was 10 times the amount earned from exports, and the figures did not even include the debts repayed every year. It is for this very reason that those responsible people

in the military government are now admitting that Burma's ability to repay loans is not very good.

In addition, the country's production has also declined, and other problems such as the output of crude oil going down by about 20 percent, the (?income) from rice exports decreasing, and the closure of and suspension of operations at many factories and mills have also plagued the country. Hence, faced with such all-round problems, the BSP military government has had to file for bankruptcy with the United Nations.

It should be noted, however, that the people have not been informed about this--not even a hint--by the military clique. In fact, the members of the military clique would rather go on lying to the people and the world public until the very last possible moment. But the situation today is such that because they want additional assistance, grants, soft loans, and so forth, they can no longer afford to lie. Hence, with much embarrassment, the BSP government has made the appeal in full sight of the world community.

(?There was, however, one problem) when the military government made that appeal. The problem of the falsified figures which the military clique had previously presented. World economic observers are of the opinion that Burma should have been listed among the least-developed countries long ago because Burma for some time has met the requirements of having an annual per capita income of less than \$200 and an (?industrial) production base constituting less than 10 percent of national production. The military clique has blatantly lied about those facts, and it is only now that it has had to (?admit that) the figures it presented before were falsified.

The world knows that Burma is rich with natural and energy resources and that it cannot make use of those resources yet. However, it is not only large amounts of funds but also correct policies that are needed to exploit and develop these resources. In this regard the military clique is like a mouse unable to carry away the elephant's head.

Indeed, the BSP military clique has become a laughing stock internationally because of this incident. Cartoonists must be having a field day, but for the people of Burma the incident is something to be hurt, angry, and (?sad) about.

/9599

CSO: 4211/38

TRADE UNIONIST ADMITS SEEKING SOVIET HELP

Suva FIJI SUN in English 26 Mar 87 p 3

[Article by Nemani Delaibatiki]

[Text] Trade unionist Mahendra Sukhdeo claims he and Krishna Datt had tried to seek help from Russian authorities when they visited Moscow recently.

Mr Datt is the general secretary of the Fiji Labour Party and president of the Fiji Teachers' Union.

Mr Sukhdeo said: "Let me admit it, there was an attempt made to get a contact with the Russians with the view to seeking help and aid for Fiji.

"An attempt was made to get some help for the Labour Party or the trade union movement."

Mr Sukhdeo, the general secretary of the Municipal Workers Union and former Labour Party vice-president, spoke at an Alliance meeting on Tuesday night.

The meeting was at Nepani, eight miles from Suva on the Kings Road.

Mr Sukhdeo is the Alliance candidate for the Nasinu-Vunidawa Indian communal seat in the general elections which start in nine days.

He said he and Mr Datt had gone to East Berlin for a trade unions seminar.

"But on the way back, we did stay in Russia. We did stay in Moscow," he said.

"The Eastern Bloc paid for our airfares.

"The Fiji Labour Party has two types of teeth. If you look at their manifesto they are going to follow a strict non-aligned policy.

"What is in the back of their mind when they say they will not allow the Russians to have an embassy here?"

CSO: 4200/504

LAOS

COLUMNIST CITES PHOUMI VONGVICHIT VIEWS ON THAILAND

Bangkok SIAM RAT in Thai 27 Mar 87 p 3

[Right Wing column by Masuk Suankhwanpin: "View From Laos"]

[Excerpts] A friend of mine who recently visited Laos said that things did not look very good there.

My friend feels that the Lao people need Thailand and that they need help. A Peace and Development Program delegation from Thailand visited Laos around the middle of March in order to discuss arts, cultural, and educational activities with Laos. After their visit, they said that they had had an opportunity to pay a courtesy call on Mr Phoumi Vongvichit, the acting president of the LPDR.

Professor Khothom Ariya, the deputy head of the Peace and Development Program, who led the Thai delegation on this visit, said that Mr Phoumi Vongvichit, who is 84 years old, is still in very good health. He gave the Thai delegation a very warm welcome.

Mr Phoumi said that it is just a short trip across the Mekong River and so they should come visit more often in order to strengthen fraternal relations. "If we don't visit each other often, we will become strangers," said Mr Phoumi.

The following are some of the things that Mr Phoumi had to say:

He said that people everywhere love peace. But wars are started by certain people with power. "Real human beings don't want to kill each other." Laos is the same. Laos does not want war. The Lao people do not want anyone to start a war either here or abroad. There are many forms of internal war. This includes theft and child abuse. These are all small wars that can lead to killing. The five Buddhist precepts teach us not to do this.

Mr Phoumi said that he had once participated in negotiations in Geneva. The American representative pounded on the table. It took them 10 months to reach an agreement. "His pounding on the table did not hurt anyone." Laos wants peace, but peace based on fairness and independence.

Laos and Thailand are closely related to each other. Our two peoples can talk to each other without having to have an interpreter. Laos has many problems on the education front. About 10 years ago, more than 75 percent of the Lao people were illiterate. An important target of the present Lao government is to increase the number of people who can read and write.

Laos has many ethnic minority groups, such as the Lu, Mong, Lao Thoeng, and so on. Each of these groups has its own language. These languages resemble the Prakrit, Burmese, or Khom languages. But in the future, these minority groups must learn the Lao language in order to benefit from the educational services provided.

Mr Phoumi complained that Laos was once controlled by a "foreign country," which controlled everything, including the letters of monks. The Lao people had no freedom at all. As for Thailand, Mr Phoumi said that "although we may have different needs, there is no reason for us to attack each other."

Mr Phoumi frequently mentioned or cited the five Buddhist precepts. This indicates that the communists in Laos are different from communists elsewhere.

11943

CSO: 4207/177

THAI REPORTER VIEWS PERSONALITIES, LEADERSHIP CHANGES

Bangkok NAE0 NA in Thai 23 Feb 87 p 2

[Article by Tulaya Thanwanan: "Laos After the Fourth Congress: Waiting in Line for Changes in the Government?"]

[Text] A Lao official was probably correct in saying that "older people who are not well must retire. It's normal for new people to come in and replace older people." But this statement cannot explain all the changes that have taken place in Vientiane. In particular, changes in government officials are expected in the wake of the Fourth Congress of the Lao People's Revolutionary Party, which was held in mid-November 1986.

At this congress, several revolutionaries were removed from the Party Central Committee. Some are now "rising stars" while others are "dead stars." There have been rumors that there may soon be changes among the ranks of Lao government officials.

It is essential that Laos bring in younger people who have greater expertise in various fields and who are better educated than the older state officials, who have held their positions for many years. In particular, in 1987, Laos will make a great effort to reform the economy. According to the Second National Development Plan, which was approved by the congress, the goal is to "modify the administrative and socioeconomic apparatus" and "make changes to bring about a business system" in the socialist economy.

Thus, the Fourth Congress of the Lao People's Revolutionary Party was just as significant as the Sixth Congress of the Communist Party of Vietnam. Both countries are in a period of transition in national socioeconomic development.

Vietnam has begun making all-round economic reforms and implemented the "three basic programs" of the 6th Congress. This has led to a reform of the organizations subordinate to the Council of Ministers. There was a major reshuffle of government officials at the beginning of last week.

Today, there is great uncertainty among "older and unwell" officials and "unqualified" officials in Vientiane. In the wake of the Fourth Party Congress, 11 revolutionaries were removed from the Party Central Committee. So far, no satisfying explanation has been given for their removal. Among these

were eight ministers and government officials. This has generated much speculation. One of those who was dropped from the Party Central Committee was Mr Vanthong Saengmuang, the minister of trade. This happened after Party Secretary General Kaysone Phomvihane charged at the party congress that the needs of all the people were not being satisfied with respect to the transportation of daily necessities.

"The weaknesses" of the Ministry of Trade were criticized again at the Party Central Committee plenum, which was held during the period 26-31 January. The future of Mr Vanthong looks very uncertain in view of the fact that the party and state are making a great effort to modify business practices this year to have them serve the socialist economy on a national scale. This means that the minister of trade must be a very capable person.

The futures of Mr Chanmi Duangbouti, Mr Ma Khaikhamphithoun, and Mr Sisana Sisan are very uncertain now that they have been dropped from the Party Central Committee. All three of these men are senior revolutionaries who joined the struggle before liberation. Mr Chanmi is a well-known party "theorist." He has been a member of the Party Central Committee ever since liberation. He is currently a minister in the Office of the Council of Ministers along with Gen Sisavat Keobounphan, who is also the minister of interior and secretary of the Council of Ministers.

Mr Ma and Mr Sisana, too, were well-known figures even before liberation. Mr Sisana once served as the minister of information. As a result, he was a very well-known figure outside the country. Most recently, Mr Ma has served as one of the three special affairs ministers in the Council of Ministers.

The removal of Mr Mun Somvichit and Mr Nhiavu Lobaliayao from the Party Central Committee is an indication that they may also have been removed from their positions as chairman of the National Social Welfare and War Veteran Commission and chairman of the Ethnic Affairs Commission respectively. Similarly, the fact that Lt Gen Somsak Saisongkham and Mrs Khamphaeng Bouppha were dropped from the Central Committee probably means that they have been removed from their positions as deputy minister of National Defense and chairman of the National Women's Federation respectively.

The Fourth congress showed that a rising star in the Women's Federation is Mrs Phetsamoun Lasasimma, who jumped from No 34 in the third Central Committee to No 23 following the Fourth Party Congress.

A reshuffle of the party organization is always an important indication of the rise and fall of the people concerned. It is a much better indication that questions of health and age. If this is true, then the Fourth Party Congress provided the outside world with a look at the rise of several people who were elected to the Politburo. Five people were elected members of the Politburo and two others were elected alternate members.

Gen Sisavat rose to No 8 on the Politburo and changed positions with Mr Sali Vongkhamsao, the chairman of the State Planning Commission. Mr Maichantan Saengmani, the chairman of the Party and State Control Commission, rose to No 10 and changed positions with Mr Saman Viyaket, the chairman of the Party and

State Organization Commission. Mr Oudom Khatthiya jumped from No 37 on the Party Central Committee to No 12, the final position for a full member of the Politburo. The greatest jumps were made by Maj Gen Choummali Saiyason and Mr Somlat Chanthamat. These two rose from No 43 and No 28 on the previous Central Committee to No 13 and No 14 respectively. They are now alternate members of the Politburo.

The Fourth Congress of the Lao People's Revolutionary Party also marked the rise of several other people to the forefront of the party leadership. These include Mr Bounyang Volachit, the secretary of the Savannakhet provincial party committee, Mr Inkong Mahavong, the minister of agriculture, industry, and forestry, and Mr Asang Laoli, an ethnic minority leader. These three jumped from No 40, 47, and 43 to No 15, 16, and 17 respectively. All of these are "new blood" who have been mixed with the "old blood" in the party, many of whom are having health problems.

Prince Souphanouvong stepped down as head of state, or president, at the end of October 1986. And in November and December, he resigned his positions as chairman of the National Assembly and chairman of the Lao Front for National Construction.

Mr Phoun Sipaseut, the deputy prime minister and minister of foreign affairs, is another senior figure who, like Prince Souphanouvong, has health problems. It is widely expected that he will resign his government positions.

The annual plenum of the Supreme People's Council, which provided a suitable opportunity for announcing changes, was held during the period 2-4 February. But no changes were made.

The short statement by the Lao official quoted at the beginning does not explain these phenomena.

11943

CSO: 4207/169



INDONESIAN EMBASSY PROTESTS MALAYSIAN PRESS REPORTS

Kuala Lumpur BERTITA HARIAN in Malay 28 Feb 87 p 2

[Text] The Indonesian Embassy today asked the mass media to adopt a fairer attitude toward Indonesians in this country.

Dr Fuad Salim, education attache at the Indonesian Embassy, said that most of the mass media take pleasure in reporting that petty crimes were committed by "Indonesian suspects" even though the nationality of the criminal is not certain.

"It is easy to learn how to imitate an Indonesian accent. Anyone can pretend to be Indonesian and therefore the authorities and the mass media should first investigate and determine whether the person involved is Indonesian before coming to any conclusions," he said.

Dr Fuad said that such common press reports indirectly damage the image of all Indonesians in this country with the result that some people have a bad opinion of all Indonesians here.

Dr Fuad said that most of the illegal Indonesian immigrants in Malaysia are uneducated and usually move around from place to place.

He said that illegal Indonesian immigrants come here to Malaysia looking for a better life but that most of them are unable to adjust; when they fail, some of them are capable of committing crimes.

"But they do not reflect the whole of the Indonesian people. I hope that all other Indonesians will not be considered bad just because a small group of them are criminals," he said.

9846

CSO: 4213/70

SANUSI SUPPORT FOR MAHATHIR ECONOMIC POLICY

Kuala Lumpur UTUSAN MALAYSIA in Malay 6 Mar 87 p 2

[Text] Datuk Sri [titles] Sanusi Junid, minister of agriculture, strongly denied that the current economic downturn and the fall in the prices of export commodities have resulted from any bad policies of Prime Minister Datuk Sri Dr Mahathir Mohamad's government.

He said that these widespread rumors are due to certain parties' attempts to slander the government.

Speaking at a meeting today with representatives of local fishermen and farmers in Batu Maung, Penang Island, Sanusi said that many governments are facing falling prices for their export commodities; why aren't the people in those countries threatening their government's leaders?

The price of tin ore, also exported by Indonesia, Bolivia and Thailand, has fallen; the price of palm oil, also exported by Indonesia, has fallen; and the price of rubber sap, also exported by Thailand, Indonesia and Sri Lanka, has fallen.

He explained that not only Malaysia but other oil-exporting countries--the Arab countries, Venezuela, Great Britain and the United States--are facing a fall in the price of oil.

He said that the people in those other countries are not opposing their governments; they are aware that the fall in commodity prices is not the fault of their leaders.

He told the people at the meeting, also attended by Mr Ibrahim Ali, chairman of the Malaysian Fishing Progress Society and by Dr Ibrahim Saad, chairman of State Agriculture, that government leaders are seriously trying through various strategies to improve the price of those commodities.

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CSO: 4213/70

UMNO WOMEN'S WING SUPPORTS MAHATHIR-GHAFAR

Kuala Lumpur UTUSAN MALAYSIA 4 Mar 87 pp 1, 6

[Text] The EXCO [Executive Committee] of UMNO's [United Malay National Organization] women's wing today decided to support Datuk Dri [titles] Dr Mahathir Mohamad for president and Mr Ghafar Baba for deputy-president at the election of UMNO's Executive Council to be held next month. The EXCO of the women's wing made this decision after discussing a number of issues and deciding, among other things, that the party must control the government; that is, that the government leaders must be party leaders.

When she announced support for these candidates at UMNO headquarters today, Datin Paduka [titles] Rafidah Aziz, head of the UMNO's women's wing, said that this decision came out of the extensive talks that members of the organization's EXCO had held today.

"Every member of the EXCO was asked to present her views on the election of the leaders, especially to the offices of president and deputy-president, of the UMNO's Supreme Council," she said.

She emphasized that the decision was arrived at by EXCO members and was not just per personal decision.

The members of the EXCO also agreed on the reasons for their support of Mahathir-Ghafar. Mrs Rafidah gave three [as published] reasons for the EXCO's belief that the present prime minister and his deputy should be supported for the positions of UMNO's president and deputy-president.

First, the electorate has given a mandate to Datuk Sri Dr Mahathir Mohamad and his deputy Mr Ghafar Baba in the last general election, the leaders who have achieved a brilliant success.

Second, the women's EXCO believes that it is only natural for UMNO to support them to the fullest extent for the posts of party president and deputy-president.

Third, the women's EXCO also believes that the party must control and continue to control the government. This means that government leaders and party leaders must be the same individuals.

Fourth, the country's economy is beginning to recover' political stability must be strengthened to make sure that this recovery is not harmed.

In this respect UMNO's women members emphasized that the party is the backbone of the country's government.

UMNO's women members also warned the organization's members not to allow any outward sign of party instability, especially just before UMNO's general assembly.

9846/12851  
CSO: 4213/70

PBS DENIES PACT AGAINST UMNO

Kuala Lumpur BERITA HARIAN in Malay 3 Mar 87 p 3

[Text] Mr Joseph Kurup, general secretary of the Sabah United Party (PBS), denied that the PBS had come to an agreement with the DAP [Democratic Action party] to prevent UMNO [United Malay National Organization] from organizing in Sabah.

Mr Kurup said that this was not one of the principles or aims of the party's struggle.

Contacted here today, Mr Kurup said that since it is not against the law, UNMO has the right to move into Sabah just as the PBS has the right to move into the Peninsula, if it wants to.

"Whether UMNO is successful or not in getting into Sabah does not depend on the strength of that party but on whether it is supported by the people of Sabah," he said.

In that connection, he said, the PBS has no need to reach an agreement with any political party in Sabah, especially with the DAP, to prevent UMNO from organizing in Sabah; it would not be of any use.

"We do not need to obstruct UMNO's efforts; it's up to the people of Sabah to make that decision," he said.

Mr Kurup said that the PBS had never limited the efforts of the DAP or of the PAS [Pan-Malaysian Islamic Party] to organize political support in Sabah; still less would it limit UMNO, which is the backbone of the government in this country.

A Visit

He said that the country is a parliamentary democracy and every political party is free to move into Sabah as long as it does not threaten the security of Sabah's people.

He said that two deputy general secretaries of the DAP, Mr Lee Lam Thye and Mr Ahmad Nor had been in Sabah since last Friday [27 February 1987] on party business.

He emphasized that their visit should not involve the PBS because the PBS was not organized to interfere in the internal affairs of any political party in the country.

## EDITORIAL REACTS TO U.S. PAPER ON INTERVENTION

Manila PHILIPPINE DAILY INQUIRER in English 11 Apr 87 p 4

[Editorial: "Price of Subservience"]

[Text]

EVIDENCE of what many Filipinos have long suspected about United States intervention in Philippine affairs is starting to surface. Ironically, the information has been provided by American sources themselves--not because Washington's meddling in our affairs represents a violation of the sovereignty of an independent country. Rather, the whistle-blowers are US conservatives who fear that Central Intelligence Agency (CIA) involvement in the Philippine government's counterinsurgency "program" would eventually lead to the actual deployment of American troops to fight Filipino rebels. Richard Kessler, an Asian expert at the Carnegie Endowment for International Peace, makes unmistakably clear what his motives are in objecting to stepped up US intervention in the Philippines: "If we get dragged into another Asian civil war, Americans will get killed." The ghost of the Vietnam War (where a tiny, underdeveloped nation humbled the mightiest power on earth) continues to haunt the United States. Moreover, the first death in combat of a US serviceman in El Salvador last week has served to underscore for many right-thinking Americans the folly of US involvement in Third World brushfires.

Information gathered by the San Francisco *Examiner's* Phil Bronstein shows that CIA involvement includes both technical support and covert political action (which is better described in spook jargon as "dirty tricks"). Quoting Agency sources, the *Examiner* reveals that the CIA scheme would first entail assisting the Philippine military in intelligence-gathering and the supply of sophisticated data-processing equipment. In time, however, US assistance will be expanded to include what the sources describe as the deployment of American military advisers in the field. What the CIA envisions follows the Vietnam pattern.

In fact, counterinsurgency efforts *already* in place in certain parts of the Philippines have an uncanny similarity to programs initiated by the CIA for the Saigon regime in the late 60s and early 70s. For example, the employment of right-wing vigilantes--like the *Alsa Masa* and the *NAKASAKA*--to combat the New People's Army in the South had as precedent the Phoenix program in South Vietnam which also made use of "rehabilitated" Viet Cong to fight communist guerillas.

Most Filipinos are convinced that if the Aquino administration is unable to deal with the insurgency more decisively direct US intervention would be inevitable. The Americans marched into the In-

dochinese conflict motivated by nothing more than a vague ideological commitment, as JFK put it, to "fight communism wherever it threatens the Free World." That costly adventure was launched and sustained in a peninsula where the United States had no longstanding interests, no valuable economic, political, military and diplomatic stakes. Marxist historians who view the Yankee venture in Indochina as an enterprise of the US industrial-military complex to sustain the superpower's "war economy" are perhaps only partially correct. In truth, the policymakers of every powerful nation that has emerged through the tide of time, from Xerxes' Persian Empire to Ronald Reagan's U.S. of A., has been vulnerable to *hubris*--that compulsion to "use it (power) or lose it." And Filipinos familiar with the arrogant might of the United States are only too aware of what Washington is capable of.

Moreover, the US has--definitely--a lot at stake in the Philippines, unlike in Vietnam. The country plays host to the two biggest American military bases outside the continental United States, which bases even Beijing has declared function as a stabilizing element in the region. The Philippines stands guard over vital sealanes through which flow the raw materials that sustains America's major Asian ally, Japan, and its other client-states in the region, Taiwan and South Korea. US and other Western business investments in the country are sizable. And not the least, Filipinos are natives of a former US colony whom many Americans look on as pupils, as clients, as little brown brothers. The assumption of a liberal-democratic government, led by an evidently popular president, has only served to raise the emotional ante for Washington; many US officials may be led to think that there is absolutely nothing wrong in giving direct military aid to such a regime in order to, according to a quaint Americanism, "help it along."

However, in the search for arguments to justify greater US meddling in Philippine internal affairs little attention is being paid to Filipino lives that will inevitably be shattered and lost as a result of an escalation in hostilities. That's the price of weakness and subservience.

/9317

CSO: 4200/507

SOURCE ALLEGES GDR FUNDING NPA

FRG 'Greens' Party Link

Manila PHILIPPINE DAILY INQUIRER in English 5 Apr 87 pp 1, 6

[Excerpt] Foreign aid to communist-led insurgents has increased sharply during the past few months and has been channeled from East Germany through the West German "Greens," an American scientist said yesterday.

Dr. Uwe Henke Parpart, director of the Washington-based Research Fusion Energy foundation, which is associated with the Strategic Defense Initiative (SDI), told an open forum in Manila that funds for the rebels, "apparently" from West Germany are "in fact coming from East Germany."

These funds, Dr. Parpart claimed, are taken care of by the West German "Greens," many of them former Maoists, whose ideology is close to that of the National Democratic Front (NDF), the political wing of the insurgent movement.

Dr. Parpart also said the Moro Islamic Liber-

ation Front (MILF), one of three armed Muslim groups in the South, had been invited last week to open an office in Tehran.

He said he did not know what the MILF response had been.

Turning to the SDI, or "Star Wars," Dr. Parpart said its deployment would "add stability" to the Asia-Pacific region in "restoring the credibility of the nuclear striking force."

With the SDI, the US military bases in the Philippines would acquire "an added positive significance," he said.

Otherwise, Dr. Parpart claimed, the bases are merely "big targets and not more than that," in which defense is "non-existent."



NDF's Jalandoni Denies Reports

Bangkok THE NATION in English 8 Apr 8 p 4

[Article by Paul Verschuur: "Europe's left aids Filipino insurgents"]

[Excerpts]

UTRECHT, Netherlands — The end of the ceasefire two months ago between the Philippine Government and communist rebels was a call to action for Luis Jalandoni.

Operating out of a shabby office in the historic Dutch university town of Utrecht, Jalandoni is the international representative of the outlawed Filipino National Democratic Front (NDF), a 12-group coalition opposing the government of Philippine President Corazon Aquino.

Member organizations include the Communist Party of the Philippines, the New People's Army, various trade unions and leftist political groups.

Jalandoni's task includes lobbying governments, political parties, unions and church groups for political backing and financial contributions to the NDF. He said he does not solicit funds to support NPA military operations.

Jalandoni, a former Roman Catholic priest, says he set up his office in the Netherlands, financed by the NDF, because of its traditional tolerance for foreign political dissidents.

He said some "very limited amounts" of money had been received from West Germany's Greens Party, as reported last weekend by some rightist newspapers in the Philippines.

The newspapers claimed the Greens had been used as a conduit for East German funds.

Jalandoni denied the reports and said the Greens' money had been used for office equipment. He declined to reveal the amount of the contribution.

Attempts to reach the Greens' headquarters in West Germany for comment were unsuccessful.

Before news of the contributions last weekend, Jalandoni had said the NDF was seeking the support of East European countries as part of "a general call to all revolutionary and progressive forces."

Among his most important contacts made since he began as the NDF's foreign lobbyist a decade ago, Jalandoni counts the Pan-Hellenic Socialist Movement (PASOK) of Greek Premier Andreas Papandeu and the communist-dominated Italian General Confederation of Labour (CGIL).

Both PASOK and CGIL confirmed there had been contacts with NDF elements, but refused to provide details on those contacts. Jalandoni also has had contacts with the Italian Communist Party and the political left in the Netherlands.

/13104

CSO: 4200/502

## DAILY FINDS ARRESTS, MURDERS OF PNB CANDIDATES 'DISTURBING'

Manila PHILIPPINE DAILY INQUIRER in English 12 Apr 87 p 4

[Editorial: "Pattern of repression"]

[Text]

NINE people have already been killed since the start of the election campaign, and current trends indicate that many more will fall victim to the steadily rising wave of politically motivated violence as May 11 and the tense period of ballot-counting approach.

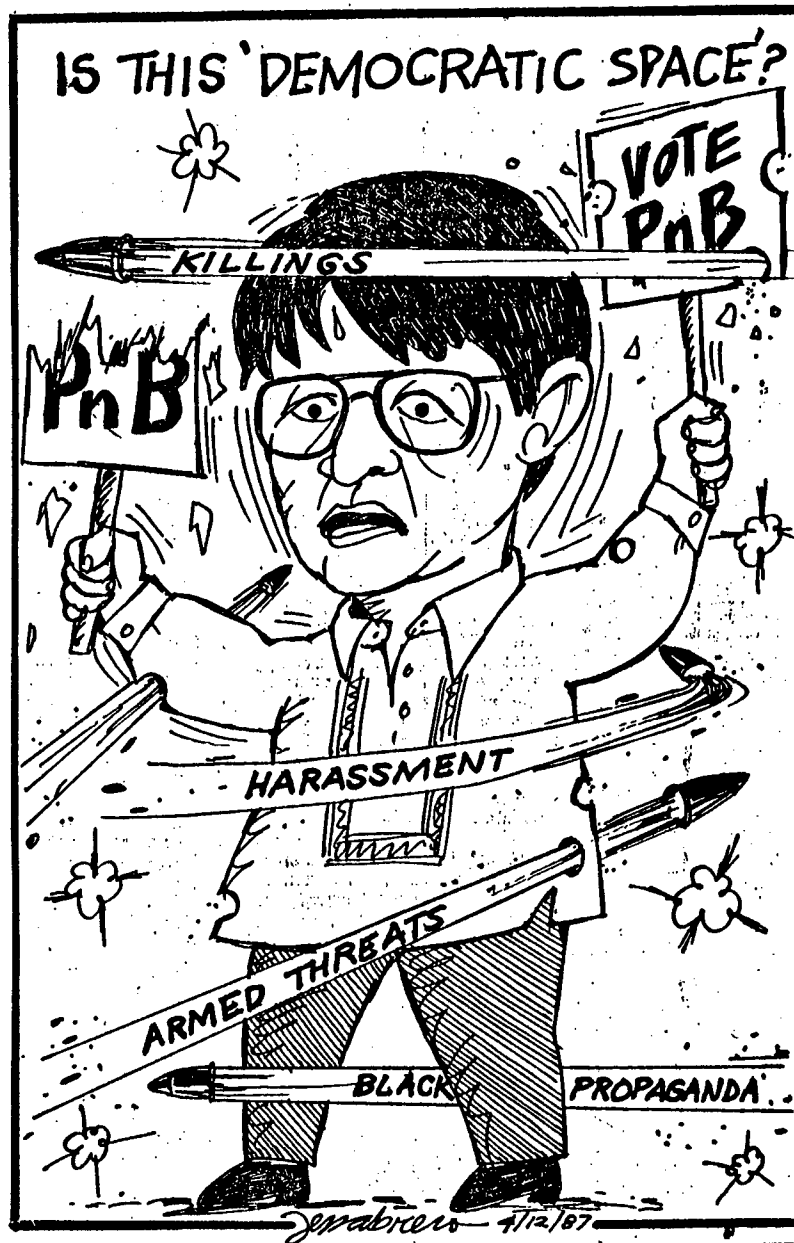
Traditionally, congressional contests in this country often cause passions to run higher than in presidential or senatorial campaigns, where a far wider, more amorphous constituency is under dispute. Since aspirants to the House run in small districts which are frequently their home turfs, a greater degree of personalism is involved, where platforms and party affiliation ordinarily play a secondary role. As in campaigns for local government positions, followers exhibit a deeper commitment to their congressional candidates, frequently reinforced by kinship, friendships or business ties of long standing. In essence, congressional campaigns in the Philippines have tended to take on the character of clan feuds or tribal conflicts, which is why in many areas there are only two major rival candidates who either belong to or are supported by the wealthiest and most influential families in each district. These factors, too, have given rise to warlordism which permits certain local "dynasties" to entrench themselves in power and, as it were, establish a franchise on key political posts in their area. This is as much the case in the clannish North as it is in the tribal South--as well as in all the regions in between. That's how it has traditionally been. But an examination of the list of fatalities in the ongoing congressional campaign hints of a more disturbing qualitative change.

Seven out of the nine campaign deaths over the past month or so involved organizers and followers of the left-leaning Partido ng Bayan. In view of these gruesome statistics, it is easy to understand why PnB officials should believe there's an orchestrated campaign of repression against them. Alongside these killings have been the arrests of a number of PnB followers, whom certain lawmen have sought to link with the insurgent underground. They have also been harassed by messianic right-wing vigilantes who apparently do not appreciate the profound ideological differences between an open, legal, parliamentary party such as the PnB and the outlawed Communist Party of the Philippines. When taken all together a *pattern* emerges out of these incidents.

But beyond the apparent campaign to frustrate the PnB's attempt to blaze a legal parliamentary trail for the Philippine Left is

the growing polarization of our society, the hardening of ideological categories and the erosion of tolerance. The much-vaunted democratic space which Ms. Aquino's rise to the presidency opened up is once more constricting, ironically, at a time when it has become most important to show that the liberal-democratic system can and should be made to work. Ironic because instead of permitting leftists to find out for themselves that their political struggle can be waged in the less violent venue of electoral politics, certain groups are in fact pushing back to the underground those Marxists who wish to give the system a chance.

And who are the ultimate beneficiaries of this growing intolerance in our society? They are the hardliners, the extremists in the insurgent movement who are now being given evidence to prove to their more moderate comrades that the only option open to the Left is armed struggle.



FOREIGN SECRETARY LAUREL TARGETED BY DEPARTMENT CRITICS

Manila PHILIPPINE DAILY INQUIRER in English 11 Apr 87 pp 1, 10

[Article by Chay Florentino]

[Text]

VICE President and Foreign Secretary Salvador H. Laurel yesterday vehemently denied charges that Philippine diplomacy is without direction, countering that "whoever made that comment was talking through his or her hat."

"We do have a foreign policy and that's very clear," Laurel said, citing three major foreign policy speeches he had already made before different fora.

His detractors however have criticized the lack of direction in the country's foreign policy rather than the absence of one because of Laurel's alleged involvement in partisan politics more than in running the affairs of the department.

A DFA source said Laurel has "been too busy with other things" that he has not been able

to sit down and formulate a clear-cut policy on Philippine diplomacy.

As a reaction, the department released a copy of a speech delivered by First Undersecretary Jose D. Ingles last April 4, expounding on the country's "new and independent foreign policy."

In that speech, Ingles said the goals and objectives of the country's foreign policy as embodied in the Constitution and the Charter of the United Nations include: the promotion of peace, equality, justice, cooperation and amity among nations; the upholding of our sovereignty and independence; the safeguard of our territorial integrity and the conservation of the national patrimony; the development of our economy; the improve-

ment of the quality of life and enhancement of human rights and welfare of the Filipino people.

Laurel brushed off criticisms that he has been more involved in politics than in running the affairs of the department, claiming "I have my hands full." He cited his dual responsibilities with the Presidential Blue Ribbon Commission and the Foreign office.

He said that the reason why he refused the offer to become campaign manager for the administration's senatorial candidates was because he wanted to focus on these two responsibilities.

On the allegation that he has allowed himself to be manipulated by persons close to former ambassador to the United States and brother-in-law of Ferdinand Marcos, Benjamin "Kokoy" Romualdez, Laurel said that he is not engaged in "witch-hunting."

He said of these people occupying key positions in the department, "They are all career men and I'm giving them the chance to prove their worth and their ability."

## ONGPIN REJECTS GOVERNMENT BOND USE IN LAND REFORM

Manila PHILIPPINE DAILY INQUIRER in English 5 Apr 87 p 17

[Article by Oscar M. Quiambao]

[Excerpts]

**FINANCE** Secretary Jaime V. Ongpin rejected yesterday the issuance of bonds as payment to landowners covered by the government's accelerated land reform program.

Ongpin also told a press conference at the Central Bank that the Cabinet is expected to approve the program before the month ends so that negotiations for the release of some \$500 million in soft loans can start with its bilateral and multilateral lenders. He expects the loan to be released middle of this year.

He added that the International Finance Corp., a subsidiary of the World Bank, approved last April 2 its \$12.5 million subscription to the \$250 million First Philippine Capital Fund.

Ongpin said he is

just awaiting communications from at least five major American investment banks being tapped to syndicate the underwriting of the so-called Philippine Investment Notes (PINs). They are the Salomon Brothers, Inc., Merrill Lynch International Bank, Allen and Co., Drexel Burnham Lambert Corp. and Shearson Lehman Brothers, Inc.

He also announced that about \$80.7 million was approved under the government's debt-for-equity swap program. He said investors pledging to sink in \$316 million applied under the program.

Ongpin explained that the issuance of bonds through the state-owned Land Bank of the Philippines for lands covered by agrarian

reform will result in the crowding out of the market, thus jacking up the bond's rates.

He said the bonds' issuance will be resisted by the landowners owing to the bad reputation of such government IOU during the Marcos regime.

"And if you talk about 15 to 20-years maturities for the bonds, even if you say we will guarantee them, its issuance will surely create uncertainties," Ongpin added.

Ongpin said he has recommended to President Aquino the use of the proceeds from the sale of the government-owned and controlled corporations (GOCCs) and assets sequestered by the Presidential Commission on Good Government to fund the program. These

funds are aside from the expected P20 billion proceeds from the sale of the government's non-performing assets (NPAs) and the \$500 million loan from abroad.

Ongpin said that the country does not have to "browbeat" the banks into providing the country with the \$7 billion in advance to patch up projected funding gap over the next six years due to the negative net resource transfer.

He said that there is a lot of available money for the country at concessional rates like those from the Asian Development Bank, the Overseas Economic Cooperation Fund of Japan and from the World Bank.

He added that the country may not need such amount if the economy improves.

## LAND REFORM DEPARTMENT, KKK PROGRAM LETTER OF AGREEMENT

Davao City THE MINDANAO DAILY MIRROR in English 24 Mar 87 p 4

[Text]

MANILA — Land reform beneficiaries totalling about 3 million tenant-tillers and small landowners affected by land reform are target beneficiaries of a Memorandum of Agreement signed between the MAR and Bagong KKK recently in formal ceremonies at the Asian Institute of Tourism.

The Memorandum of Agreement created a Land Reform Livelihood Program Secretariat to map out strategies in order to assist land reform clientele with livelihood opportunities and enable them to pay the amortization for their lands. It is also tasked to design livelihood packages for small landowners affected by land reform to enable them to engage in entrepreneurial activities.

The inter-agency agreement signed by former Minister Heherson Alvarez of the MAR and R.G. David of the Bagong KKK creates a land reform livelihood program secretariat—a joint office of MAR and Bagong KKK — to affect synergy in land re-

form and livelihood packages delivery specially in the rural areas. According to Alvarez the provision of livelihood support service of agrarian reform clientele is a departure from the traditional land reform program thrust. He said that the revitalized land reform program under the present administration seeks a holistic approach and transcends the mere issuance of land titles and emancipation patents. The provision of livelihood opportunities to tenant-tillers and small landowners is considered a critical element in the success of the land reform program. He cited that the rebel returnees resettlement program which is a concern also to be addressed by the Program Secretariat, can only be successful if livelihood opportunities are provided in the resettlement areas. The Secretariat is tasked to design plans and programs for land reform clientele and to deliver basic services in the most efficient and cost effective manner.

According to R.G. David, the joint undertaking between MAR and BKKK is in line with the mandate of Bagong KKK National Secretariat as an agency supportive of all ministries in government in the areas of livelihood generation. The Bagong KKK is funded by the National Livelihood Support Fund from the General Appropriations Act and the Fund is used to prime livelihood activities of priority beneficiaries thru credit extension. A portion of the National Livelihood Support Fund for 1986 will be used to activate livelihood programs for land reform clientele which will essentially entail an integrated area development approach and anchor enterprises development strategy.

The program secretariat will initially concentrate in priority areas where land reform and provision of livelihood opportunities is considered critical. Target areas include Negros Occidental and Davao del Sur where resettlement efforts of tenants and rebel returnees will be accelerated.

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CSO: 4200/507

## DAILY REPORTS IMMIGRATION COMMISSION CORRUPTION

Manila PHILIPPINE DAILY INQUIRER in English 12 Apr 87 pp 1, 10

[Article by Cynthia Balana: "CID Mulcters Closely Watched"]

[Text]

A SYNDICATE, composed of top immigration officials and "disgruntled employes", is reportedly falsifying alien documents for a fee of P10,000, confidential reports reaching Immigration Commissioner Enrique Joaquin said yesterday.

The reports said immigration men also extort from foreign nationals whose papers pass their desks.

The group, it was added, is the same group behind a smear campaign to oust Joaquin from office.

In an interview with the *Inquirer*, Joaquin declined to reveal names of those allegedly part of the syndicate "to prevent investigation by the legal department from being preempted."

The immigration chief also said the group, mostly recommendees of higher authorities, were placed under surveillance by the National Bureau of Investigation and the Department of Justice.

Joaquin claimed he had earlier tried to thwart the group's activities. His warnings were ignored, he said, and instead, the group launched a campaign to oust him as immigration chief.

Denouncing the smear campaign, Joaquin said, "My performance record as CID [Commission on Immigration and Deportation] head can stand the light of scrutiny."

"I will rise and fall on this record which is a matter of public knowledge," he added.

Joaquin also admitted that the CID is one of three corrupt agencies in government. However, he said, stringent measures will be adopted to minimize, if not eliminate corruption in the agency.

"Right now, we're still awaiting policies from the justice secretary to reorganize the commission," he said.

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CSO: 4200/503

HONASAN, 'MOST' OTHER DEMOTEES SAID LINKED TO ENRILE, MARCOS

Manila PHILIPPINE DAILY INQUIRER in English 1 Apr 87 p 3

[Article by Ramon Tulfo in the "On Target" column]

[Text]

AN AMERICAN has been ordering people around at the Presidential Commission on Good Government (PCGG)

Theodore Greenberg of the US department of justice has even outdone PCGG head Ramon Diaz in making "gofers" (go for this, go for that) of PCGG employes, says an insider.

Greenberg is head of a team investigating alleged irregular transactions between Amworld, an American electronics and telecommunications firm, and former AFP chief of staff Gen. Fabian Ver.

\*\*\*  
 "Parang takot si Diaz sa kanya (Diaz seems afraid of him)," says our source of the American whose very prominent facial feature is his oversized, bulbous nose. Like Reddy Kilowatt's.

Our source says he once overheard Greenberg telling a PCGG man: "I want this done." He sounded "very demanding," the insider says.

\*\*\*  
 Greenberg's four-man probe team is "coordinating" with the PCGG in investigating Filipinos they suspect to be involved in the alleged mess. The probe concerns alleged overpricing of equipment sold to the Philippine military which plans to build a vast telecommunications network. "Coordinating," of course, is just a euphemism.

Since it could not investigate Filipino citizens in their own country, the Greenberg team has "requested" -- another euphemism -- the PCGG to do the questioning

for it. The questions are supplied by the US team.

The image of the PCGG as a bully or toughie has been reduced to that of a servilely fawning brown slave kissing the feet of the Ugly American (White) master.

\*\*\*

Col. Gringo Honasan, one of the principal characters in the EDSA revolution, has been demoted to lieutenant colonel.

Honasan is one among a number of Armed Forces officers whose demotion came like a sharp scimitar. They were cut down to pieces.

Among those demoted with Honasan were (from full-fledged colonel to lieutenant colonel) Ferdinand Lagman, former Olongapo City Metrodiscom commander; Victor Laurilla, formerly of the Civil Relations Service; Babette Estrada, who was a deep-penetration agent in the outlawed Kabataang Makabayan; Romeo Odi, former Quezon provincial commander.

(From lieutenant colonel to major) Rey Cabautan; Babes Flores, who captured Communist Party chief Rodolfo Salas, alias Kumander Bilog; Roberto "Bobby" Ortega, nemesis of Metro Manila criminals when he was with the defunct PC Metrocom and before that with the CIS; Amado Espino, who captured Bernabe Buscayno, alias Kumander Dante now strutting around like a peacock among Metro Manila's so-



cial elite; Arturo Lomibao, another Dante captor; Bartolome Baluyot (captor of Kumander Sumulong);

(From major to captain) Eustaquio Malillin, one of Enrile's boys who took part in the EDSA Revolt; and Alfredo Gozon, whose most prominent feat is the killing of Mortimer Marcelo, the notorious leader of the dreaded Celeste Gang.

Most of them have one thing in common: Rightly or wrongly, they were either identified with deposed President Marcos or former defense minister Juan Ponce Enrile.

Reconciliation in the New Armed Forces? You've got to be kidding, buddy!

\*\*\*

A lieutenant colonel at PC Recon 1 based in Baguio City is an example of how a corrupt military officer can take advantage of his position and become a millionaire.

The colonel, a US green card holder (meaning, he's got the status of an immi-

grant), goes to the US at least twice a year. He was there, in fact, from December, 1986 to January this year and in August last year.

His wife, who left with their two children the other day, commutes between the US and Manila at least five times a year. Their five other children are studying in the US.

They own a big house in Quezon City and three cars -- a Lancer, a Laser and a Ford Econovan.

His family is not rich. Neither is his wife's.

\*\*\*

An administration senatorial bet, one of the sure winners, may not know it but he may lose in La Union.

The family that he approached to campaign for him is a family of hoodlums engaged in protection racket, smuggling and illegal gambling. They're well known, rather notorious, in La Union.

This family will use him when he becomes senator.

/9317

CSO: 4200/507

DAVAO BROADCASTER INITIATING ALSA MASA IN MANILA

Manila PHILIPPINE DAILY INQUIRER in English 11 Apr 87 pp 1, 10

[Article by D. Florida Jr]

[Text]

**CEBU CITY** -- Alsa Masa, the controversial Davao-based anti-communist vigilante group, will be operating in Manila in three months, if its self-styled leader, Jun Porras Pala, is allowed to have his way.

The Alsa Masa, Pala said, has already sent an advance team to Manila "with the sanction of military authorities."

Last Thursday night in Davao City, Pala also revealed that his group has already "infiltrated" other parts of the country "to fight communism and spread the gospel of democracy."

Pala's statement about having the blessings of the military was virtually confirmed by Maj. Gen. Renato de Villa, Constabulary chief, who said here that the military and the police are committed to

support Alsa Masa and other community self-defense volunteer groups in their anti-communist campaign.

"We have to preserve the gains they have already achieved," he said.

Pala's threat to "export" Alsa Masa to Metro Manila is certain, however, to be resisted by Lt. Gen. Salvador Mison, AFP vice chief of staff.

"I cannot allow untrained people to be armed and (sent out to) fight the communists," Mison told a command conference held at the Manila police headquarters.

He added that the military and the police would do the fighting instead, as it is their duty to combat "lawless elements," including rebels.

Earlier, Brig. Gen. Alfredo Lim, Western Police District superintendent, also said there was no need for an Alsa Masa-type vigilante group in Manila because the city's police force is capable of going after communist urban guerillas.

Ironically, Pala revealed his plan to have his group fight communist infiltrators in Manila as he lashed out again at the "people in Manila" for

criticizing his group's alleged tendency to commit human rights violations.

"The people in Manila have no business urging the government to disband Alsa Masa since they are not the ones affected by the communist insurgency anyway," he said.

Pala also warned Manila-based newsmen whom he charged with writing unfavorable reports about Alsa Masa against going to Davao.

He singled out those writing for the Philippine Daily Inquirer, Malaya, and The Manila Chronicle. He said: "Baka inabugbog lamang sila dito." (They might only get beaten up here.)

In talks with newsmen here, De Villa also revealed that Alsa Masa will eventually "graduate" into a livelihood-development-oriented movement to be called Unlad Masa.

The PC-INP chief said the transformation will take place as soon as Alsa Masa attains its objective of completely insulating the communities where it is operating from communist insurgents.

The Manila command conference, attended by a number of City Hall officials, discussed a proposal to form vigilante

groups --like the Alsa Masa-- to repel rebel attacks in the city.

Mison said conditions in the metropolis do not yet warrant the formation of vigilante groups. "The number of rebel atrocities in Manila is minimal, compared to their attacks in some provinces."

He said, however, that he would leave the final decision on the matter to the civil authorities.

At the same conference, City Fiscal Luis Victor cautioned policemen against the indiscriminate arrest of suspected communists.

He disclosed that his office has been receiving complaints from various groups and individuals over the recent arrest of persons suspected of being rebels.

"They (the policemen) should always honor court orders in the interest of justice," Victor said. He added, however, that policemen involved in counterinsurgency operations will be given the full protection of the law.

The fiscal's comment drew applause from the police officers who at an earlier meeting lamented what they described as the prejudice of the courts against them.

/9317

CSO: 4200/503

DAVAO LETTER ATTACKS MANILA PRESS ALSA MASA CRITICISM

Davao City THE MINDANAO DAILY MIRROR in English 24 Mar 87 pp 1, 9

["Open Letter": "Want 3 Manila Dailies Boycotted"]

[Text]

In the Manila newspapers, there has emerged a discernible pattern of a deliberate and well-planned daily vicious, malicious, relentless and determined campaign to discredit, destroy, and ultimately ban and dismantle the *Alsa Masa*.

These vicious Manila media attacks is in line with the CPP/NPA/NDF political line to neutralize the *Alsa Masa* which has destroyed the Communist base in Davao City and has caused the Communist-leaning lawyers, priests nuns to completely and absolutely lose their credibility and influence in Davao City.

As Davaoños, we all know that the *Alsa Masa* is a highly successful Davaoño people's war against the Communist terror, extortion, and killing network.

We Davaoños therefore resent and rise up in vehement protest and inexorable defiance against the Manila mass media and the Communist Agitating, Propagandizing, Organizing Networks (CAPONS). The Manila mass media, the CAPONS and the Communist-leaning priests, and nuns and lawyers are maliciously discrediting the *Alsa Masa*.

In defense of the *Alsa Masa*, as brave, and courageous Davaoños:

1. We Boycott the Manila newspapers Philippine Daily Inquirer, the Manila Chronicle, the Malaya, and the Pilipino language Manila newspaper Ang Bagong Masa. These newspapers are part of the Communist Agitating Networks (CAPONS) which is carrying on a ceaseless campaign to dismantle the *Alsa Masa*.

2. We Boycott the Radyo ng Bayan for tolerating Joe Castro, Bayan Manila chairman, to viciously attack the *Alsa Masa*.

3. We Boycott (do not enroll our children in) the schools, colleges and universities run by priests and nuns who give aid, support, and shelter to Communist killers and who are part of the Communist Agitating, Propagandizing, and Organizing Networks (CAPONS) which is carrying on a campaign to dismantle the *Alsa Masa*.

4. We Write, Telegram, and Tell President Aquino that we love the *Alsa Masa*.

5. We write, telegram and tell the Manila newspapers (except for the Anti *Alsa Masa* newspapers already mentioned above) that we love the *Alsa Masa*.

We Davaoños shall defeat the Communist Agitating, Propagandizing Organizing Networks (CAPONS) at their own game.

We Davaoños rise up against the Philippine Daily Inquirer, the Manila Chronicle, the Malaya, and the Ang Bagong Masa.

The famous Manila newspaper columnist Max Soliven has explained the objective of the Communist Agitating, Propagandizing, Organizing Networks (CAPONS) in their campaign against the Alsa Masa:

"I don't understand why there is such a vicious media assault on the Alsa Masa and other anti-Communist vigilante and militia movements.

"What I suspect is that the Alsa Masa (Up the Masses) group is being villified is because such volunteers have proven themselves so successful against the rampaging Red New People's Army.

"But what about the abuses, murder, torture sessions and acts of extortion, 'tax collection', and blackmail being imposed without let-up by the NPA? Is it a crime for civilians to fight back?" (Max Soliven, "By the Way," PHILIPPINE DAILY STAR, Thursday, March 19, 1987, page 4).

Davao City lawyer Chuck Nunez put it crisply: "Dismantle Alsa Masa? No! Dismantle Communism and the New People's Army first." (PERYODIKO DABAW, Thursday, March 19, 1987, page 4).

The importance of the Alsa Masa in attaining peace for the people of Davao is cited as follows: "There is now a clear sign that communists and their armed partisans can no longer claim that they are in control of the city" (Editorial, "Alsa Masa Snowballs," page 2, February 26-March 5, 1987, the MINDANAO TIMES).

In the same vein, the MINDANAO DAILY MIRROR cites the peace and feeling of safety and security now being enjoyed by the people of Davao due to the Alsa Masa:

"There was a deluge of people in the streets during yesterday's culminating activity in the 16-day 50th anniversary of Davao's founding as a chartered city.

"We believe that the big crowd of 'Araw' revelers is more brought about by the relative peace that the community has achieved during the past few weeks than anything else.

"People feel safe in mixing with crowds now that senseless killings have stopped (and everybody hopes peace will reign forever here).

This, to us, is the deeper meaning of the huge crowds yesterday." (Editorial, MINDANAO DAILY MIRROR, March 17, 1987).

We are all with the Davao City Council. Mayor Zafiro L. Respicio, Vice Mayor Rodrigo Duterte, former Assemblyman Manuel Garcia, former Mayor Luis T. Santos, Human Rights lawyers Jess Dureza, Doming Carillo, and Boy Nograles in rising up in defense of the Alsa Masa.

We are one with all the radio announcers and the radio stations, the Davao City newspapermen and the Davao City newspapers, the Davao City television stations and their newscasters in rising up in defense of the Alsa Masa.

We Davaoños defy the villains and defamers of the Alsa Masa.  
(Sgd.)

JERRY BARICAN  
Davaoños Defiant Defenders  
for Democracy (4-D's)  
United Filipinos vs. Communist  
Agitating, Propagandizing, Organizing  
Networks (CAPONS)  
Davao City

DAILY: AQUINO MISINFORMED ON BRUTAL NATURE OF VIGILANTES

Manila PHILIPPINE DAILY INQUIRER in English 5 Apr 87 p 4

[Editorial: "The Brutal Facts"]

[Text]

THE AQUINO administration is so preoccupied with its electoral campaign to dominate Congress that it has found itself paying less attention to other matters. Take the case of the steady proliferation of right-wing vigilante groups in a growing number of provinces.

Aside from the well-publicized *Alsa Masa* and *Nagkahiusang Katawhan Alang sa Kalinaw*, or NAKASAKA, there are now the CACA in Cebu and El Tigre in Negros Occidental. Then, there has been the rapid expansion of that pseudo-religious cult, the *Tadtad* which originated in Misamis Oriental and now has "chapters" in Davao, Surigao, South Cotabato, Cebu, Negros Oriental, and Southern Leyte. The *Tadtad* has itself been affiliated with the NAKASAKA, through the active sponsorship of local military commands and the unrehabilitated Cold Warriors at the Department of Local Government.

Two weeks ago, the specter of vigilantism loomed over the nation's capital itself when acting Manila Mayor Gemiliano Lopez and his police chief Brig. Gen. Alfredo Lim started issuing statements about the "need" to muster right-wing volunteers in the fashion of the *Alsa Masa* in the city. Fortunately, that scheme has been held in abeyance; but for how much longer?

Obviously, the administration and the President herself have also been badly misinformed about the true nature of these vigilante groups. In her campaign sortie to Davao City last Sunday, Ms. Aquino stunned many Filipinos when she endorsed the NAKASAKA, apparently after she was misled into thinking that its members are unarmed and have joined the group on a voluntary basis. But as evidence on the actual character of the vigilante groups begins to emerge, it is beginning to become increasingly clear that they are not actually what the military and the DLG have been claiming these groups to be. And certainly, the administration itself should be faulted for not looking into the matter more closely - as it should have. But that fault cannot be as serious as the crime committed by some of Ms. Aquino's civilian and military advisers in misrepresenting the vigilantes.

For example, a week before Ms. Aquino issued that unfortunate endorsement of hers of the NAKASAKA a few kilometers outside of Davao City, CHDF militiamen and NAKASAKA volunteers engaged a four-man rebel band. When the shooting was over, the vigilantes pounced on a wounded guerilla, hacked him to pieces with their bolos, loped off his head and drank his blood. An *Agence France-Presse* photographer, Jose Duran, who happened to be at the scene recorded that macabre event; and now the whole nation--and the world--know just what kind of savages these anti-communist vigilantes really are. Now there is incontrovertible proof that what the military and the DLG has spawned is not "another expression of people power" as is frequently claimed, but barbarism.

The *Inquirer* and several other newspapers decided to publish one of Duran's photographs, knowing fully well that it would offend the sensibilities of many people. But it is precisely because of the need to expose the brutal facts about these vigilantes that we decided to reproduce the picture just the same. We certainly hope that it has sufficiently shocked the nation--and the Aquino administration--to finally put an end to this vigilante madness.

/9317

CSO: 4200/503

## PALAWAN RESIDENTS OPPOSE INCLUSION IN MUSLIM AUTONOMY

Bangkok THE NATION in English 9 Apr 87 p 13

[Article by James G. Goodno]

[Text]

PUERTO PRINCESA, Philippines — The banner strung across a stage in a downtown plaza here carried a clear message for liberation groups fighting for an independent Muslim state in the southern Philippines.

"Puerto Princesa opposes secession," read the banner, hoisted in this capital city of Palawan province, situated on the finger-shaped island of the same name in the south-west of the Philippines archipelago.

Palawan, with a population of 450,000, is claimed for inclusion in an autonomous state by the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF), both based on the island of Mindanao, 360 km to the south-east.

Moro groups base their claims to Palawan on the island's historic membership of the old Sultanate of Sulu, a cluster of small islands to the south.

But although the only living descendant of the last sultan lives in the Palawan town of Brookes Point, the island's population is predominantly Christian.

Said acting Palawan Governor Victoriano Rodriguez, "The MNLF demands that Palawan be included in the secessionist movement, but only 10 per cent or less of the population are Muslims, and even the majority of Muslims do not support the secessionists."

Most Muslims in Palawan, he said, migrated to the island from

other areas in the southern Philippines "because they did not want trouble in their own places." Mostly they live in the southern part of Palawan.

Military sources here estimate that the MNLF has about two dozen active members on Palawan.

They have reportedly won some support from small Muslim communities in isolated mountain villages, but this "is not very significant," according to Navy Captain Antonio Empedrad, deputy commander of the Philippines' Western Command.

Empedrad said the MNLF activists are not natives of Palawan, "but have been sent from Mindanao to give the movement a presence here."

A Palawan islander who is aide to Empedrad commented, "I don't see how the MNLF can seriously claim Palawan."

"I see it as a bargaining chip. The government might tell the rebels they can't have Palawan and the rebels will say, 'Okay, give us Mindanao and Sulu.'"

Most Palawans point out that their province has little connection with Mindanao but is more closely linked with the main island of Luzon and the central islands of the Visayas region.

Many Christian Palawans originate from the Visayas islands and Luzon, on which the capital, Manila, is situated, and still have family ties there.

Political and religious sectarianism historically has kept Muslim Palawans out of provincial office and political power.

President Corazon Aquino's former minister for local government, Aquilino Pimentel, did appoint a Muslim to the provincial council during the post-Marcos overhaul of local authorities, but appointee Halikul Ysop is not expected to contest the post when local elections are held this year.

Most political observers here doubt that a Muslim could win a province-wide election; for his part, Ysop has indicated he will seek election instead as mayor of one of the predominantly Muslim towns in the south of the island.

MNLF representatives in Mindanao claim that Palawan is part of the historic Moro homeland.

They say the Christians in the province came as "colonizers" after the Muslim community was already established and took control of Palawan's political, economic and social development.

Palawanan Muslim leaders agree that their community is politically under-represented, but beyond that there is little consensus.

The Muslim community is represented by a variety of local leaders, traditional village heads and old and powerful families.

In a few places, Muslims say, the MNLF is looked to for leadership, but others fear that if the organization gains control of Palawan it will show more concern for the development and benefit of Mindanao.

Many businessmen in Palawan fear the economic effects of inclusion in an independent Muslim state.

Vincent Reyes, who operates a small resort complex in the north, said that Palawan's developing tourist industry particularly would suffer.

"It's highly unlikely," he said, "that the government will concede Palawan to the rebels."

Other observers believe it just as unlikely that the Aquino Government will grant radical concessions to either the MNLF or the MILF.

When government officials speak of ending the Muslim insurgency and solving the problems facing the Philippines' Islamic community, they do so with emphasis on preserving national unity and sovereignty.

Some form of regional autonomy would be in line with the proposed constitution that Aquino is using to define her government's policies with regard to rebel groups, but such autonomy would be limited to those parts of Mindanao that are predominantly Muslim.

That would leave Palawan's Christians, Muslims and small tribal groups to work out their own problems and differences within the existing Christian power structure.

Governor Rodrigues believes this is possible. "The Muslims who transferred to Palawan are the peaceful ones," he said. "They chose to come here because they knew that Palawan is a peaceful place" — Compass News Features.

/9317

CSO: 4200/503



## BRIEFS

PASTORS ORGANIZE DAVAO SUR ANTICOMMUNIST GROUP--Gen Santos City--A Protestant pastor is initiating the organization of an anti-communist movement of Protestant ministers in the city. Major Benito Pesic, assistant provincial commander for civil-military operations, PC/INP said Rev Mercurio Abellar is determined to spearhead the movement to be initially composed of forty pastors. The movement is a chapter of the Christian Action to Love the Communists (CALCOM) based in Davao City. CALCOM aims to bring back to God those who have turned against Him because of communism. The movement will be extended to civilians who hold strong belief in democracy. Currently, Pastor Abellar is conducting educational programs on the ills of communism over radio stations. [Text] [Davao City THE MINDANAO DAILY MIRROR in English 27 Mar 87 p 8] /9317

CSO: 4200/507

THAILAND

DAILY VIEWS 'GRAVE ECONOMIC CRISIS' IN U.S.

BK201148 Bangkok NAE0 NA in Thai 20 Apr 87 p 3

[Editorial: "America: The Falling Economic Czar"]

[Text] The depreciation of the U.S. dollar against major currencies such as the Japanese yen and the rising trade deficit suffered by the United States have made big headlines in international economic news during the last 2 or 3 months.

These are indications of the grave economic crisis now facing the United States. Consequently, it is anticipated that the United States will have to decrease its role in international affairs. This new trend should determine the direction of international relations.

There are indications of the change in the U.S. economy. For instance, the United States has accumulated quite a large foreign debt, up to \$220 billion, while its foreign trade deficit rose to \$170 billion. Worse still, in the 1970's, the United States produced 40 percent of the world's goods and services but only 22 percent since 1980. During the same period, Japan raised its proportion of goods and services from 2 to 9 percent and Europe from 21 to 30 percent.

Before 1974, the United States was the leader of high technology, inventing 70 percent of the world's new technology. In 1974, it produced only 50 percent, and the figure is expected to drop to 30 percent by 1994.

Thai policymakers must watch closely the deterioration of this economic major power, especially its political and military impact. They should not act solely in terms of depending on others. The government should direct its foreign policy, politically and economically, to the European Community, Japan, Third World countries, and other ASEAN members because we now can no longer depend on any particular country as in the past.

/12858

CSO: 4200/505

THAILAND

ACADEMICS, MFA OFFICIAL DISCUSS FOREIGN POLICY ISSUES

Bangkok SIAM RAT in Thai 16 Mar 87 pp 2, 3

[Unattributed report: "Thailand's Foreign Policy: Current Situation and Trends"]

[Text] This seminar on "Foreign Policy" was held by the Social Research and Technical Services Section in cooperation with the Institute of Public Policy and Foreign Affairs Studies at Thammasat University and SIAM RAT on 12 March at the Anekprasong Building, Thammasat University. Those who spoke on the topic "Thailand's Foreign Policy: Current Situation and Trends" included Professor Khian Thirawit, Associate Professor Likhit Thirawekhin, Associate Professor Noraniti Setthabut, Dr Surin Phitsuwan, and Assistant Professor Chulachip Chinwanno. Mr Sakon Wanphruk, the deputy under secretary of foreign affairs, was the first speaker. Further details on this seminar will be published in SIAM RAT in a day or two under the heading "The Economic Policy and International Trade of Thailand."

Sakon

The government's policy line in order to ensure a good standard of living is:

1. To maintain internal security.
2. To promote national security.
3. To promote the country's economy by overcoming the trade obstacles.
4. To increase Thailand's role in the world political arena.

As for maintaining internal security, We have a problem with terrorists. The communist movement within the country affects internal security. We have a foreign policy concerning this. When MR [royal title--FBIS] Khukrit was prime minister, he went to China in order to negotiate with the Chinese, who were supporting the Communist Party of Thailand [CPT]. China was not the only socialist country with which we established relations. We also established relations with Libya and other countries. After we made contact at the leadership level, the communist party and terrorist activities declined

visibly. But [China] did not cut its aid to this movement completely, because that might have given the Soviet Union a chance to play a role in its place. However, ever since we established relations with China, we have benefited on the trade front. Thailand's trade surplus with China totals more than 1 billion baht.

China is not the only country that uses economic policy in order to promote its foreign policy. The Soviet Union does the same thing with the Second-World countries, including Thailand. Even the United States does this.

We will hold to the policy of maintaining internal security as the standard. Our policy is to live in peace with our neighbors. These countries can be divided into two groups, that is, the countries that have good relations with Thailand and those that we must watch constantly. The countries that have good relations with Thailand include the ASEAN countries. The countries in this group are trying to reduce their dependence on other countries and defend against outside threats. An example is Brunei, which is a member of ASEAN. If Brunei were not a member of ASEAN, Brunei would not have any meaning at all.

The countries that we must keep an eye on are the Indochinese countries, particularly Vietnam, which does not respect the UN Charter. It continues to station troops in Cambodia. Besides this, Vietnam is trying to establish an Indochina Federation, and it wants to include Thailand's northeastern region in this federation. As for incursions by the Indochinese countries, the situation has still not improved.

However, Thailand's foreign policy with respect to these countries has changed frequently. If there is an opportunity, we hope to restore relations with these countries, particularly Laos, with whom we have had fraternal relations. For example, we will take steps to expand trade with Laos. We know that Laos does not have money. But it has various items in which merchants are interested. For example, Laos has rich forests.

As for countries outside this region, we consider the Soviet Union to be an important key. During his trip to Vladivostok, Mr Mikhail Gorbachev expressed an interest in playing a constructive role in the Asia-Pacific region. Even though the visit to Thailand by the Soviet minister of foreign affairs lasted only 6 hours, this helped improve our attitude toward the Soviet Union.

As for improving the country's economy by overcoming the trade obstacles, those involved feel that Thailand's economy is still overly dependent on exports. As a result, Thailand has encountered serious problems concerning trade, investments, and even tourism. These stem from the worldwide economic recession. And if the position of President Reagan grows weaker, the opposition, that is, the Democrats, will grow even stronger. The result will be a revival of the Jenkins Bill. It is unclear whether Reagan would veto the bill this time. Even if he does, the bill could still pass. But regardless, it will be Thailand that suffers. Thus, the government's policy is to promote the country's economy. If we appeal to the great powers and tell them that we are in dire straits, they probably won't pay any attention. They are more interested in their own welfare than they are in the welfare of others. Instead, the Thai government and the private sector here should cooperate in

looking for additional markets. We are already doing this. But personally, I don't know how great an effort is being made. I doubt that enough is being done.

Solving the market problems is a major issue. In the United States, we have met with businessmen, and our consulates there are playing a role in the negotiations to solve these problems.

As for increasing Thailand's role in the international political arena, I feel that this is very important, because political events will continue to control political and trade benefits.

#### Chulachip

The foreign situation has changed as a result of the change in attitude of the Soviet Union. We must keep an eye on the situation. The most interesting thing is that in just the past 6 months, several interesting things have happened. For example, last October, the prime minister of India, Mr Rajiv Gandhi, visited Thailand. Relations between Thailand and Laos have improved visibly. On 2 March, the foreign ministers of both the Soviet Union and Malaysia visited Thailand. I think that these developments are well worth watching. Also, in Indochina, there has been a change of leaders.

#### Surin

I am interested in the observation that many important figures have visited Thailand during the past 6 months. I have tried to analyze this and see if this presages any change or progress. I would like to tell Professor Chulachip and you not to read too much into this. These people probably came because it is Visit Thailand Year. Let's not read too much into these visits.

Our foreign policy is based on input from every faction and unit. But during the 6 months that I have been an MP, parliament has not played the role that it should in formulating policy. Thus, while an attempt is being made to involve many sectors in foreign policy, few have actually played a role. An important element of the government has not played a significant role. This does not mean that we are not interested, that we do not have data, or that we do not have the talent. It's just that the structure does not allow us to play a major role.

When Mr Bunchu Rotchanasathian became the chairman of the House Foreign Affairs Subcommittee, he established a work committee, which was the first work committee of a House subcommittee. Mr Bunchu agreed that MPs must have work committees, because they do not have much time.

The constitution states only two times in which parliament can become involved. One is in declaring war. The constitution stipulates that to declare war, a royal decree must be issued or parliament must approve this. In the past, MPs did not think about this and were not concerned about preserving this role for themselves. The Ministry of Foreign Affairs or the Ministry of

Defense can't be blamed, because parliament did not hold firm to this. What is lacking is that the representative of the Thai people still play only a minor role in formulating policy.

The Foreign Affairs Subcommittee has studied the matter of purchasing weapons from China. It does not agree with doing this, because relations with China are uncertain, particularly in security matters. We now have sixteen 16-mm guns that China sold to us at friendship prices. We also have 60 T-69 tanks. Weapons experts told the Foreign Affairs Subcommittee that the guns that we have purchased from China at friendship prices are new guns in the army. They are similar to those that Vietnam has used to attack us. But even if we can purchase these artillery pieces from China at friendship prices or obtain them for free, they are virtually useless without U.S. radar to track the path of the shells. Both Thailand and China are interested in strategic matters. I don't want to use the words "U.S.-Thai-China. Accepting these weapons could tie our hands. This was discussed in parliament. Because if that happens, what will our ASEAN friends think about our drawing close to China? There have also been reports that we will send pilots to train in China using the F-8 aircraft, which is the equivalent of the Soviet Mig-23.

Relations between China and Thailand are quite solid. Even though we do not have official contacts, we have cultural relations. The problem is that we don't engage in cultural exchanges with socialist countries. Thus, this is as far as things will go. And if political relations shift to the security front, will this be a jump forward or will this raise suspicions among the members of ASEAN?

As for trading with China and Vietnam, we feel that there are a few points on which we will have to confront each other in the future. This is because Thailand and China produce the same goods. They purchased rice and sugar from us even though they have their own rice and sugar. They did this because they wanted to prove to us that they are sincere toward Thailand. Last year's visit by Mr Li Xiannian was extremely important, as was the exchange of personnel.

The Foreign Affairs Subcommittee has doubts about establishing a Thai-U.S. arms depot. We have observed that ASEAN passed a resolution in 1970 in Malaysia stating that the ASEAN region will be a region of peace and freedom and that ASEAN will remain neutral. It is the Ministry of Foreign Affairs that is involved in binding us to the United States in the arms depot matter. It is the Ministry of Foreign Affairs that has conducted the negotiations. But when Mr Bunchu sent a letter asking officials from the ministries of foreign affairs and defense to come tell the Foreign Affairs Subcommittee how far this matter had proceeded, the Ministry of Foreign Affairs replied that it was not involved in this. We are disappointed with this response. It is not the response that we wanted.

What is most important is that U.S. officials have already informed Congress of this agreement. But have our officials given any thought to parliament? Do officials here think that parliament should play a role or participate in making the decision? The two sides have already signed the agreement.

In summary, in the past, the House of Representatives has not played any role in formulating foreign policy. No one will give parliament a chance to participate. I am not sure about the role of important units. I am not sure what role MPs or even the cabinet will play.

Likhit

Dr Surin mentioned the fact that MPs don't have their own staffs. Many people feel that MPs hold their positions just temporarily. They are not permanent officials and so they don't have a staff. Even the ministers are temporary and so their offices are smaller than those of university deans. I have been in the office of an army region commander. He had a much bigger office. People must be aware of their position.

As for Thailand's international relations, we can divide this into four points:

1. Traditional relations: These are not very important. This involves diplomatic talk. Take the 200th anniversary of Thai-French relations, for example. There were many flowery speeches during the celebrations. But if you study history, you can see how painful those relations have been.

2. Security: This is viewed from the standpoint of the country's leaders. It may not have anything to do with the people. Also, our policies have been dictated by our fear of the communists.

3. Trade: This is a major issue. In the 21st Century, trade will be even more important than politics.

4. Culture: This is similar to No 1. It is not that important.

As for the basis of Thailand's foreign policy, I think that there are four methods:

1. We have to admit that we are a small country. Thus, we have to have a very flexible policy. We have to take the offensive rather than stay on the defensive. It's important to determine which way the wind is blowing. This is a policy of bending with the wind. The bamboo will bend that way but will not snap.

2. When the situation changes, we usually lean toward whoever has power at that time. At one time we sided with China. They we shifted toward England. When Japan began to gain in power, we sided with Japan and sent people to study in Japan. When Japan lost the war, we lost, too. But somehow we managed to win a victory. We then sided with the United States. We used the English language that we knew to get along with the Americans. Now, we are beginning to have more dealings with China again. This shows our patron-client system. That is, we still have to depend on a great power.

3. At a time when the direction of the wind or dust is not clear, we should not be too hasty and should remain neutral.

4. We should have a flexible policy. That is, we should go everywhere in order to benefit as much as possible. The world is no longer divided into just two camps. Thus, it is difficult to tell who our friends and enemies are.

As for relations with the United States and Japan, after the Second World War, the United States began playing a major role in Thailand. They helped us avoid the consequences of having lost the war. I don't know whether or not this affected our democracy, which has managed to struggle along. But as a result of siding with this great power, the military was able to play a major role. The United States was not interested in whether or not Thailand was a democracy. All it wanted was for people to side with the United States. Thus, field marshals Sarit, Thanom, and Prapat were well suited to that period. It was said that Vietnam would not have split apart if it had had someone like Sarit. Since the change in Vietnam, Thai-U.S. relations have remained good. But the attitude of the United States has changed. It is allowing the countries here, including China, Japan, and ASEAN, to look after their own affairs. The United States is trying to stay as far away as possible.

In my view, while Thai-U.S. relations have not turned flat, we have moved away from each other. We asked them to abandon their military bases here, and they were happy to leave. A question that should be asked is, what is the future of our relations with the United States? I would like to make the following observations:

1. It is highly unlikely that the United States will return and again play a vigorous role in this region. The American people would oppose that. Also, the world situation has changed. There are no longer just two camps.

2. With the agreement on the arms depot, it seems that our relations are as strong as before. But from what I know, it was Thailand that requested this. This was not the idea of the United States.

3. There are reports that the United States has begun putting out feelers, asking whether there will be any problems if it transfers its military bases from the Philippines to Thailand. I think that there will be an incident if they move their bases here, unless there is a change in the domestic system. The reason why they have put out feelers is that the Philippines has begun wondering why it has to bear the burden of providing security for ASEAN while ASEAN doesn't have to pay anything. And the Philippines has to run the risk of being an enemy of the Soviet Union. The system within the Philippines is in turmoil. It may be time for the Philippine government to ask the United States to leave.

4. How important is this region to the United States? When I met with politicians from Massachusetts, I asked them how the United States feels about the appearance of the Soviet Union at Cam Ranh Bay and Danang. In response, they immediately asked how great a threat this poses to this region and how great an effect it will have on the United States. This shows that they are not very interested in this region.



In short, U.S.-Thai relations will continue at this level. I don't see any indication of an increase in military cooperation. As a result, we are looking for weapons elsewhere.

Professor Surin expressed concern about ASEAN. I don't see any reason to be concerned. ASEAN is trying to profit from us. The country that is making the greatest fuss is Indonesia. Indonesia is trying to take things away from us, including the fishing center located in Thailand. The ASEAN countries have agreed that the ASEAN region will be a zone of peace, freedom, and neutrality. But actually, some of these countries are not being honest. Malaysia and Singapore still have an alliance with Australia and New Zealand. This makes it seem as if they are a direct enemy of the Soviet Union. And there are still American military bases in the Philippines. Only Indonesia is neutral.

As for Japan, there is little of consequence on the political front. Japan continues to focus on trade. This is because Japan does not want to turn ASEAN into an enemy or do anything to create ill-will. Thus, Japanese political policy leans toward ASEAN. It is doing everything it can to improve relations between Indochina and ASEAN. Except for this, Japan is of little importance. The only thing is that if a new government is formed, it is necessary to gain Japanese recognition through an official visit, such as a visit by the Thai prime minister. If there is a change, officials must visit other countries, and the first countries that they must visit are Japan, China, and the United States. However, there may be political and trade problems with Japan. The talks will probably go on and on. It will be difficult to solve the problems, because the structure of Thailand is different from that of Japan. Japan has implemented several measures that put us at a disadvantage. I don't see any change in the near future.

Noraniti

In looking at international politics between Thailand and the Soviet Union, we must focus on four aspects, politics, economics, the military, and culture. Previous governments made use of the benefits from associating with the Soviet Union to increase security. Because actually, Thailand did not want to have dealings with the Soviet Union. The problem was, the Soviet Union was one of the members of the UN Security Council and so it was necessary to have dealings with them. Also, the Soviet Union did not attach very much importance to us. It was not until a year after relations were established that the Soviet Union sent an ambassador here. It was not until 1970 that Thailand signed a trade agreement. Looking back at the situation then, soldiers played a major political role in the governments in that period. As a result, greater emphasis was placed on security. There were no communists. It was difficult for those who held diplomatic posts in the Soviet Union, because people kept a close watch on them. They were in a very delicate situation. But in 1970 we implemented a constitution. We had MPs and a parliament. We had political parties. More and more people began thinking about relaxing things and seeking profits to benefit the nation.

However, relations between Thailand and the Soviet Union did not improve after 1970. Gen Kriangsak Chamanan was the only one to visit Moscow during his

tenure as prime minister. Except for this, our political policy was one of not associating with the socialist countries. We did not trust the Soviet Union. This stemmed from the fact that Soviet officials did not conduct themselves in a trustworthy manner. Everyone who travelled there returned dissatisfied.

Thailand uses political policy to determine trade policy. For example, we have good trade relations with China because our political relations with them are good. I think that the Ministry of Foreign Affairs has only a 30-percent voice in setting foreign policy. The other 70 percent belongs to the National Security Council and the military.

As for the Soviet Union, initially, the profits earned by Thailand stemmed from the fact that Thailand did not want the Soviet Union to oppose Thailand in the United Nations. In 1970, the internal situation facilitated the signing of a trade agreement. But there was little trade. In 1979, Gen Kriangsak visited the Soviet Union because of the worrisome situation in Indochina. It was decided that listening to the Soviet Union was preferable to not listening and that it would be good to make adjustments. But in the wake of the events in Cambodia in 1978 and 1979, people realized that associating closely with the Soviet Union had not been very beneficial. The Soviet Union gained the use of Cam Ranh. The Soviet Union wanted bases in Asia. There was nothing that Thailand could offer them that would equal what they had in Vietnam.

The recent visit by Shevardnadze, the Soviet foreign minister, did not achieve very much. Even though his visit to this region was very important, little was achieved during the negotiations. In May, Air Chief Marshal Sitthi Sawetsila will travel to Moscow. There will be much negotiating, but I don't think that this will achieve anything in the short-term. I don't think that we will gain much by associating with the Soviet Union.

Khian

The government has attached much importance to establishing high-level relations with China. We have to observe Thailand's mechanism in obtaining data, that is, the Ministry of Foreign Affairs. The Ministry of Foreign Affairs plays an important role. So does the National Security Council. But when it comes to the Indochinese countries, the military plays the major role and can override the Ministry of Foreign Affairs and National Security Council. These power groups all agree that we should be friends with China. The only thing is that there are doubts about certain aspects of our relations with China.

As for why we attach such importance to China, we have allowed outside factors to play a role in determining our policy. In particular, Vietnamese actions have caused problems, and the leaders and people of Thailand feel that Vietnam poses a threat to Thailand. Professor Likhit mentioned that the United States has attached little importance to the appearance of Soviet forces in this region. I would like to say that how much importance is attached to this is not the real issue. I think that the United States is still very interested in this. But because of its limitations, the United States has had to keep quiet following its defeat in Indochina. As a result, Thailand has turned more and more to China to guarantee our security. China and Thailand share problems

concerning principles and interests. Democratic Kampuchea, which was toppled by Vietnam, is an ally of China. Thailand does not have friendly relations with Democratic Kampuchea. But Laos and Cambodia are small countries. If they are independent, they can serve as buffer states, which is what we want.

If we rank the various countries in terms of friendship, China is in the "good" category in terms of being an unofficial ally. This is because we share common interests. As for political matters, an indication of the situation is visits by Thai leaders. This provides very clear evidence. There have been visits by senior leaders, including academics and military leaders.

The economic activities really have political objectives. The purpose is to build good relations. On the military front, we have been given weapons free. And they plan to increase shipments to us. China has been quite successful. The supreme commander has announced that Thailand will purchase weapons from China.

Laos and Cambodia are on Vietnam's side. Even though our foreign policy is not hostile, we view them as the enemy. Vietnam is now considered to be the No 1 enemy. Ten years ago, China was the No 1 enemy. My analysis is the same as that of China, but the conclusions are the opposite. Vietnam poses a threat to Thailand, but not in the sense that Vietnam will occupy Bangkok. This is an indication of conflicting interests.

I think that we will continue to have relations with China and Vietnam. What is important is Vietnam's intentions in Laos and Cambodia. It wants to continue occupying these countries using military forces. China will continue to share common interests with Thailand. Our present relations will continue like this regardless of who is prime minister or minister of foreign affairs. If someone wants to make a real change in the policy, they will have to stage a revolution, as Gen Chawalit said. But if Gen Chawalit becomes prime minister, this policy will continue in effect.

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GOVERNMENT FISHERIES POLICY VIEWED

Problem 'Snarled' Over Several Nations

BK160730 Bangkok THE NATION in English 15 Apr 87 pp 4, 6

["First installment" of a two-part report by Richard Read]

[Text] The hundreds of Thai fishermen languishing in foreign jails are there because of their own government's policies, which have let the fisheries industry get out of control, according to experts inside and outside government.

Due to a lack of regulation and planning, the government's well-intentioned fisheries development efforts of the last quarter century have created a monster that devours resources at home and threatens alliances abroad, the fisheries authorities say.

"The current situation is leading to chaos," said Wirawat Hongsakun, Southeast Asian Fisheries Development Centre director general. "Intrusion into our neighbouring countries is increasing, and it will lead to an international incident one day."

Heated international disputes aggravated by overlapping fishing claims are intensifying as too many Thai trawlers chase too few fish at home, depleting resources and venturing further afield.

The government--allowing responsibility to fall between two agencies--has so far shied away from the politically unpopular step of reducing the number of fishing vessels, despite repeated warnings from its own technical experts.

Khachonsak Wetchakarun, a ranking Department of Fisheries economist, said political leaders realize all too well that they would erode invaluable support by telling constituents not to fish. Khachonsak, who is also a biologist with 10 years experience on a research vessel, is one of those veteran Fisheries Department executives "frustrated" by the government's failure to impose meaningful limits on the trawler fleet.

Officials are attempting instead to open safety valves in the form of agreements enabling joint fishing ventures with other countries. But after a decade of pursuing such pacts, they can point to just one--a dormant agreement with Bangladesh.

The crisis has come to a head with the implementation of the Law of the Sea, an international law that has led countries to declare overlapping fishing territories in the Gulf of Thailand. The law enabled establishment of Exclusive Economic Zones (EEZ's), which extend nations' rights over fishing and other activities up to 200 nautical miles from shore.

Although it stood to lose greatly, Thailand was restrained and ineffective in opposing the enlarged fisheries zone during United Nations proceedings in 1982, said Ted L. McDorman, a fisheries expert at Canada's University of Victoria. The national fishing industry has been left with "a very bleak future" as neighbouring countries act under the provisions to extend their zones from the old 12-mile limit, he said.

"The result has been a loss to Thai fishermen of approximately 300,000 square kilometres of fishing grounds that had been utilized by the Thai trawler fleet," McDorman said in a recent paper.

Before 1960, the Gulf of Thailand was a virgin fishing area, exploited minimally close to shore by a subsistence fishing industry.

But the government set the state for dramatic change. A joint Thai-German project produced technological innovations that made large-scale trawler operation possible in the Gulf, setting off a "gold rush" for marine products.

The annual catch rate shot from 146,000 metric tons in 1960 to 1.5 million tons by 1972, an increase that McDorman labels "staggering." In the initial three-year period, the number of trawlers jumped from 50 to 3,000, Wirawat said.

Otter-board trawlers, pair trawlers, beam trawlers and purse seiners took to the ocean, often operating around the clock. Onshore, Thailand built ice factories, canneries, freezeries and factories to produce fish oil and fish meal.

As early as the mid 1960's, catch rates declined as the massive exploitation of the Gulf began to take its toll. Fisheries biologists began warning the government in 1968 to regulate and control the number of trawlers, Khachonsak said.

"We foresaw that too many vessels would create over-fishing," Khachonsak said. "But the answer from the boss was that as long as the fishermen were operating without any complaint, we should not intervene."

In the short term, at least, top government leaders had the best interests of the nation in mind. They pushed full steam ahead for jobs and other economic benefits. "They felt the fishermen could harvest more, which meant more production, which benefitted the consumer with cheaper protein and the country through foreign exchange from export," Khachonsak said.

Fisheries experts repeated the warnings in the 1970's, but by then the investment in the industry was too high to turn back, Khachonsak said.

By 1980, the average hourly catch of bottom fish was less than 40 kilogrammes, down from 231 kilogrammes in 1963. Undaunted, Thailand had mounted a powerful distant-water fishing fleet that roamed the Andaman and South China seas and beyond. It is this fleet that has slammed into the legal and territorial limits of the Law of the Sea.

Fisheries Department technicians now estimate that Thailand should have about 6,000 trawlers to produce a sustainable yield. No one can say for certain how large the fleet has become, but Aree Suttichart of the Harbour Department said his licenses division had issued permits for about 20,000 trawlers.

What is known is that Thailand's fleet is now the fifth biggest in the world.

Magnus Torell, a Chulalongkon University research associate at the Southeast Asian Project on Ocean Law, arned in a 1984 doctoral theses that the gigantic fleet threatens many fish species. "The situation is critical," he said, "and if nothing special is done, there is a great risk that the Gulf of Thailand--or parts of the Gulf--will be empty of fish resources."

Indeed, in the three years since those words were written, nothing special has happened to halt the trends.

The Fisheries Department has launched what Wirawat described as a "minor effort" to at least contain the number of trawlers, but Khachonsak acknowledged that the number has increased despite the attempt. He said the main problem is that the agency issuing the trawler licenses has no direct interest in fishing stocks.

"Fishing vessels are controlled by the Harbour Department," Khachonsak said. He added that harbour officials "don't care about fishing. They want to make revenue from licenses."

The Fisheries Department does issue licenses for fishing gear used on the trawler, and intends to use attrition to reduce the number of vessels by making the permits transferable only to heirs. But fines for operation with unlicensed gear are low, and many fishermen operate illegally, Khachonsak said.

Understandably, fishing interests strongly resist attempts to cut the number of vessels, as the livelihood of coastal residents is at stake. As scarcity forces up prices of marine products, more workers are lured into the industry by the chance for profit.

Instead of investing 2 to 3 million baht on good wood to build a vessel sturdy enough to last 25 years, a fisherman might spend 1 million baht

these days to build a ship capable of lasting only four or five years. Instead of fitting the craft with a marine engine, the fisherman might make do with a jury-rigged motor from a diesel truck.

When the fisherman sets sail, he hopes for shrimp and squid, as those species can yield sufficient revenue to enable recovery of the cost of a vessel in a few voyages. But disappointed by a poor catch in the over-fished Gulf, the fisherman might risk crossing into a foreign EEZ.

Fish hauled from Thailand's EEZ have become typically quite small in the wake of intensive fishing. But large fish are plentiful in the markets, meaning that they must be coming from foreign waters, Khachonsak said.

"Nobody can say what percentage of Thailand's catch is from illegal fishing in foreign waters," Khachonsak said. "Perhaps 20 percent, maybe more."

Risks of fishing illegally in foreign waters are growing, as nations seize more vessels and jail crews. Jailing violators is actually forbidden by the Law of the Sea, said Wirawat, who is angry that some countries--such as Vietnam--follow only those provisions of the international law that give them benefit.

"I keep screaming about that," Wirawat said. "These countries use the Law of the Sea to protect themselves instead of the resources. That becomes a terrorist action."

Trawler confiscation, detentions and allegations of assaults on Thai fishermen by Malaysia last month sparked angry protests in southern Thailand. Fishermen ended their rallies after government officials promised to continue seeking joint-venture agreements with other countries.

But a Foreign Ministry official participating in such negotiations said that Thailand must put its "house in order" if favourable terms are to be secured for legal entry of trawlers into foreign EEZ's.

The official, who spoke on condition that his name be withheld, said Thailand's inability to control the size of its fleet was compromising the nation's position at the bargaining table. Thailand's tiny fleet of eight enforcement vessels, coupled with communications equipment insufficient to notify fishermen of approach to foreign waters, make other countries doubt that access to their territories could be controlled, he added.

The Foreign Ministry official added that Thailand is still without a coordinated procedure to respond quickly to seizures and jailings with legal help and other assistance.

Khachonsak said he feels the entire fisheries issue provides an example of a national tendency to avoid planning.

"In Thailand, we do not put up any law in advance," he said. "Whenever a practice disturbs, then they put up a regulation or law."

As Thailand runs out of fish at home, its ever-expanding fleet of trawlers moves into foreign waters. Nations in the region have often responded by capturing vessels and detaining fishermen, hundreds of whom now remain in foreign jails. The Department of Fisheries has kept a tally over the years. Foreign Ministry officials are trying to secure agreements to enable fishermen to operate legally in foreign waters under joint ventures, but so far they have encountered little success.

#### Foreign Ministry Seeks Agreements

BK160815 Bangkok THE NATION in English 16 Apr 87 p 6

["Second installment" of two-part report by Richard Read]

[Text] Solving the intertwined problems of Thailand's fisheries industry will be like trying to untangle a snarled gill net stretched over several nations, experts believe.

As with most unravelling operations, everyone involved has a definite opinion of the best approach. Increasingly, those confronting the situation believe that a regional effort will be necessary, although they acknowledge that political will is sorely lacking.

"I think the time will come when all the countries in the region will have to sit down together and confront this problem," said Wirawat Hongsakun, secretary general of the Southeast Asian Fisheries Development Centre, a regional fisheries development organization.

But those involved with the issue will only succeed by persuading national leaders to make fisheries planning a higher priority. The experts say that to do otherwise would be tempting fate.

"If the present development is allowed to continue without alterations, the situation might deteriorate in a way that might bring irreparable damage to the fish stocks, and to the smooth cooperation within the region," said Magnus Torell, a Chulalongkon University research fellow at the Southeast Asian Project on Ocean Law, Policy and Management (SEAPOL).

Certainly a major decline of the Thai fishing industry would be a national economic disaster.

Thailand has more than 65,000 full-time fishermen who form the economic core of hundreds of key coastal communities. The country's annual export of fishery commodities stands at more than US\$630 million.

In order to protect its investment and ensure continued viability of the industry, Thailand will have to conserve its marine resources at home and find legitimate fishing grounds abroad.



The vexing situation has been the subject of a flurry of confidential notes between ministries and the Cabinet in recent months, according to sources in the Foreign Ministry and Department of Fisheries.

The best bet is that the memos discuss recommendations for better coordination between the Fisheries Department and the Harbour Department, the sources say. The Fisheries Department, which is part of the Ministry of Agriculture, and the Harbour Department, which is part of the Ministry of Communications, would have to cooperate if limits were to be placed on the number of trawlers.

Agriculture Minister Han Linanon is expected shortly to submit a brief to the Council of Economic Ministers suggesting potential solutions to the fisheries problems.

Fisheries Department officials declined to release or describe the contents of the document, which was initially submitted by the deputy agriculture minister and returned for resubmission. The department does not want to "interfere" with the prerogative of the Harbour Department to register fishing vessels, one official said.

"We don't want to create an inter-ministry conflict," he said.

A Foreign Ministry official involved in international negotiations to produce joint-venture agreements said effective steps to limit the size of the Thai fleet would help convince other countries that Thailand is ready to do responsible business.

But limits or fishing quotas or other reduction measures would have to be accompanied by compensation or alternate employment for fishermen denied a living, officials said. And taxpayers would doubtless oppose such bail-out schemes, they said.

Money could be raised by means of a levy on fish, but a tax would likely prompt howls from fishermen. As it is, a 1 percent levy on exports approved by the Cabinet last year for export promotion and fishermen's welfare has yet to produce revenue after encountering heavy political cross-currents.

One step Thailand could take to boost its credibility in negotiations with other nations would be to increase the number of its fisheries patrol vessels, said a diplomat, who asked that his name be withheld.

The Fisheries Department has eight patrol vessels, and two more will be joining the fleet in October. A larger fleet with improved communications equipment could adequately monitor locations of trawlers and warn captains passing into foreign waters, the Foreign Ministry official said.

Malaysian Ambassador to Thailand Bakri Aiyub Ghazali told THE NATION that he welcomed the idea of joint patrols by both countries to prevent misunderstandings.

By year's end, Thailand will have "one or two" agreements with other nations enabling its trawlers to operate in foreign fishing zones upon payment of fees, the Foreign Ministry official predicted.

Some possibilities already exist for legal operation abroad, but terms are hard and no guarantees are present to protect investments.

Phiphat Tangsapkun, director of SEAPOL, suggested a phased, 10-year agreement with Malaysia, in which Thailand would reduce the size of its trawler fleet in return for controlled access to Malaysian waters.

Wirawat said that joint ventures alone would not offer a sufficiently comprehensive approach, however, limiting the fleet would not be easy because "the genie has grown," he said, and quotas on fish species would not work because trawler captains have little control over which species land in their nets.

"I see only one alternative," Wirawat said. "We have to come up with a multilateral agreement and pursue this on a large scale."

In Wirawat's vision, members of the Association of Southeast Asian Nations would pool their talents and resources.

"ASEAN would have a whole system for harvesting, processing and exporting," he said. Coastal states could collaborate in granting access and setting up the infrastructure. Singapore could lead as the marketing export."

So far, other countries prefer to go it alone, however. No major fisheries initiatives are expected from the ASEAN summit in Manila in December.

The Fisheries Department and the Southeast Asian Fisheries Development Centre will join other organizations in sponsoring a conference on "The Future of Thai Fisheries" in Phatthaya from 4 June through 6 June. Experts will debate many of these issues at that meeting.

On 26 April, a four-day conference sponsored by SEAPOL will begin in Bangkok concerning the implementation of provisions of the Law of the Sea.

Torell of SEAPOL believes that Thailand should refrain for now from ratifying the Law of the Sea, which is merely "adopted" at this juncture. Fewer than half of the 60 states required to ratify the international law for it to enter forces have done so.

Ratification by a nation signifies that it will incorporate all provisions in national law, and delaying the step would distance Thailand from the international requirements. Torell suggested that Thailand work before ratification to secure acknowledgment of the predicament of countries in enclosed seas.

Torell advocated education and other efforts to unite diverse segments of the fishing industry in understanding benefits of controlled development. He said the fisheries sector should also align with the tourist industry to promote common interests in resource conservation.

Other experts called for increased development of inland fisheries and coastal aquaculture. More research and better scientific, social and economic information is necessary to map the future of fisheries, they said.

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THAILAND

CABINET NOTES TEXTILE EXTENSION ACCORD WITH EC

BK150242 Bangkok BANGKOK POST in English 15 Apr 87 p 13

[Text] The Cabinet yesterday acknowledged the memorandum of understanding initialled by a recent Thai mission to Europe to extend the textile agreement with the European Community.

Government spokesman Michai Wirawaithaya said the mission led by Foreign Trade Department [FTD] Deputy Director-General Phongthian Payakkhanithi was empowered by the Cabinet to initial the memorandum with EC counterparts if an agreement could be reached which benefitted Thailand.

The mission, which visited Brussels from 9 to 14 April, was asked to negotiate a one-year extension of the Thai-EC textile agreement which includes an amendment to export quotas of certain categories in compliance with the actual exports following the introduction of the Harmonised System by the EC.

The new system, which became effective on 1 January, has adversely affected the export of several Thai garments as they were previously classified under non-quota categories, but are now included in the quotas--for instance, Categories 4 (polo shirts) and 5 (sweaters).

Mr Phongthian said yesterday that during the negotiations, the EC team led by Textile Commissioner Guillaume Hofmann agreed to allow another 4,017,600 pieces, or 620 tons, under Category 4 in addition to the 10.644 million pieces already permitted.

He said the Thai delegation had asked for 800 tons more under Category 4, but this was rejected by the EC side.

The EC delegation used the import figures for the past 18 months, from 1985 through June 1986, in calculating the additional quotas, he said, adding that they failed to bring the July to December 1986 figures into consideration as these were exceptionally high.

Mr Phongthian said he had kept in contact with FTD Director-General Oranut Osathanon via telex, adding that the Category 4 negotiations could drag on for months if Thailand did not accept the EC proposal. He said this would hurt Thai exporters as they need the quotas so they can begin shipments this month in time for spring.

THAILAND

SITTHI ADDRESSES ESCAP MEET; REVIEWS ECONOMY

BK221316 Bangkok Voice of Free Asia in Thai 1030 GMT 22 Apr 87

[Text] In his speech at the 43d ESCAP session yesterday afternoon, Foreign Minister Air Chief Marshal Sitthi said that developing countries--exporters of agricultural goods--are confronting the long-term problems of agricultural subsidization and surplus and distortion. However, it is a delight to note that these difficulties have gained more recognition as solutions are being seriously considered by the major industrialized, developed countries. However, such a reform effort is still limited. He stressed that the continuing growth of trade protectionism in developed countries has hindered the readjustment of essential structures and economic growth of developing countries.

The foreign minister said further that 1987 is the year of Thailand's economic recovery. Thailand's economy has shown signs of improvement. The country's gross domestic product increased by 38 percent compared with 37 percent in 1985. This year might prove a good year for the country's economy. This is the result of the readjustment of agricultural structure into industry, particularly the export-oriented industry. Preliminary statistics show that Thailand's economy is on the path of recovery. Besides, the Thai Government will continue to use various measures to further boost the country's economy and at the same time be cautious in dealing with budget deficit. These measures will be implemented simultaneously with continuous endeavor to promote exports, industries, mobilize domestic savings, and improve performances of state enterprises. The government has made it known that the private sectors will play an important role in administering the country's economy, and the government will reduce its role to merely providing conveniences for them and try to find better incentives for them.

Air Chief Marshal Sitthi also said that development of human resources, a major item on the agenda of the conference, is regarded as an important issue by the Thai Government. The Thai Government has also included the development of human resources in the 6th National Economic and Social Development Plan by setting the annual population growth rate at 1.3 percent in 1991 which is the appropriate demographic structure and size in the long run. To improve the quality of the population, the government will provide education, health care, nutrition, and training courses for the population. The foreign minister added that the promotion of economic and social growth which can lead to the alleviation of poverty should be emphasized and draw more attention for the survival of all of us.

THAILAND

CHAWALIT TO RETAIN SEAT IN NEW SENATE

BK180440 Bangkok THE NATION in English 18 Apr 87 pp 1, 2

[Text] Army Commander-in-Chief Gen Chawalit Yongchaiyut and other senior government officials known for their loyalty to Premier Prem Tinsulanon will be re-appointed senators next week after completing their current term, informed sources at the Government House said yesterday.

The source said about 10 commanders of the army's combat units will also be made new senators. They said the list of the 75 new senators has been submitted to Premier Prem Tinsulanon who will forward it to HM [his majesty] the King for approval.

They will replace the 75 senators who are due to complete their term on 22 April. But many of the out-going senators will be re-appointed.

Among those to be re-appointed are Gen Chawalit, Interior Minister Gen Prachuap Suntharankun, Defence Minister ACM [Air Chief Marshal] Phaniang Kantarat, Interior Permanent Secretary Phisan Munlasatsathon, Finance Minister Suthi Singhasani and Sano Unakun, secretary general of the National Economic and Social Development Board.

But former supreme commander Gen Soem na Nakhon and former deputy supreme commander ACM Krasae Intharat will not be re-appointed, the sources aid. The two are among the 40 defendants standing trial on sedition charges in connection with the abortive coup in 1985.

The sources said several of the commanders of the army's combat units will be made new senators.

They include Lt Gen Wisit Atkhumwong, commander of the Fourth Army Region, Major Gen Mongkhon Amphonphisit, commander of the Ninth Infantry Division, Maj Gen Manat Aramsi, commander of the Second Infantry Division, Maj Gen Banthao Yaiket, commander of the Sixth Infantry Division, Maj Gen Oraphan Watthanawibun, commander of the Second Special Warfare Division, Lt Gen Arun Pariwattham, assistant army chief-of-staff for civilian affairs, Lt Gen Sanan Sawetserani, assistant army chief-of-staff for personnel.

Several high-ranking navy and air force officers will also be appointed new senators.

The navy officers include Vice Adm Kitti Nakhaket deputy chief-of-staff, Vice Adm Thakao Sisamrit, deputy commander of Royal Fleet, Vice Adm Prayong Charoensuwan, commander of Sattahip Base; Vice Adm Winit Thapsanan, Vice Adm Akhom Sikhacha, and Vice Adm Wichit Wanwichai, all assistant chiefs-of-staff.

The air force officers include ACM Sansoen Wanit defence permanent secretary, AM Suraphon Sophaphong, deputy chief-of-staff, AM Wira Kitchathon, AM Chiroj Buranabut and AM Anan Kalintha, all assistant chiefs-of-staff.

Senate President Dr Ukrit Mongkhonawin bid farewell to all the out-going senators yesterday. Among them are Gen Som Khattaphan and Siri Attipho who are Ukrits' deputies.

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THAILAND

ROYAL THAI NAVY SHOWS SUPPORT FOR PREM

BK190143 Bangkok THE NATION in English 19 Apr 87 p 1

[Text] Prime Minister Gen Prem Tinsulanon yesterday openly acknowledged his appreciation for the support of the armed forces for his premiership and vowed to stay on to guard the interests of the country and defend the integrity of the armed forces although he conceded that the "political temperature has been rather high" lately.

"Without the armed forces, I would not have become a premier and I might not even want to be one," Prem said during a brief address to military brass on board the HMS Rattanakosin during a naval review off Sattahip. The address was broadcast to other warships via radio.

Before Prem spoke, Navy Commander-in-Chief Adm Thada Ditthabanchong told the premier in a formal report that the Royal Thai Navy [RTN] believes that only Prem can lead the country and the armed forces competently and with integrity.

"On behalf of everyone in the Royal Thai Navy, may I inform you (Prem) that we will do everything to maintain a high level of combat readiness and support the government under your leadership," Adm Tada announced.

In his reply, Prem noted that the "political temperature has been rather high; however, with your (the armed forces) cooperation and understanding, the political temperature may cool off."

He said the armed forces must not be misled into confusion. "We shall not do anything without a consensus." "I cannot be more specific because I am on the air. But I believe you know what I mean," Prem said before signing off.

Informed military observers believe Prem was referring to a recent movement which wanted to encourage Army Commander-in-Chief Gen Chawalit Yongchaiyut to overthrow the Prem V [Roman numeral five] Government. Gen Chawalit has publicly said that he rejected that approach. The movement has some senior politicians and military officers under its wings.

An aide to Prem reported that the premier was extremely happy after finishing his address. "He (Prem) is glad to have this opportunity to speak his mind," said the aide who asked not to be named.



Prem chatted privately with a group of senior military officers for about 20 minutes after the address. The group included, in addition to Adm Thada, Gen Chawalit, Supreme Commander Adm Supha Khotchaseni, Assistant Air Force Commander-in-Chief ACM [Air Chief Marshal] Prathip Koetnawi, and Assistant Police Director General Pol Lt Gen Narong Anphat.

Prem disclosed that when he was young he wanted to be a naval officer. But he could not pass the entrance exam to the Naval Academy. He said he is glad to see the RTN maintain its integrity and unity. "These are good qualities and they show that the RTN has done the right things," he said.

After Prem left, Adm Thada told reporters the RTN wants to show its support for Prem because he is a good old soldier who has an unblemished professional record. "It's not right to unfairly criticize him like the way some politicians have done," he said.

Meanwhile, Deputy Interior Minister Sawai Phatthano defended Prem against criticism that the premier did not want to face the no-confidence debate, saying that he has never heard Prem complain about the upcoming censure bid.

Sawai said he believes Prem is a broad-minded politician who can take criticism in stride.

Sawai denied that the government is lobbying some opposition MP's who have endorsed the censure motion to withdraw their names. "At least, I know that my party (the Democrat Party) has no such policy (to sabotage the Opposition)," he said.

He also said he shares the prevailing skepticism that the Opposition may not be able to muster the 70 votes needed to sustain the motion.

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THAILAND

EDITORIAL CALLS FOR PRAISE FOR SOLDIERS AT BORDER

BK201247 Bangkok THAI RAT in Thai 19 Apr 87 p 3

[Editorial: "The Worthy Sacrifice"]

[Text] The Vietnamese border intrusion in Ubon Ratchathani Province was very guresome during the past week. Artillery shells were fired into Thai territory resulting in death and injuries to a number of Thai soldiers and civilians. In any event, the intruders have now been pushed out. Since January, 30 Thai soldiers were killed and a hundred others wounded.

But this big loss was overshadowed by other political issues. However, the heroic deeds of these soldiers must be praised and recorded in the history of the nation. They have proved to the world that the Thai warriors are willing to sacrifice their blood, flesh, and lives to fight any aggressor and enemy of the kingdom.

Since the fighting took place inside Thai soil, it was obvious that the Vietnamese had violated Thai sovereignty. The Thai soldiers who fought the enemy to defend the national dignity have set a good example for Thai youths to follow. The aggression will continue as long as the problems in Indochina remain unsolved.

The Thai people have the duty not only to develop the country but also to defend the country's sovereignty. The officials and civilians who are doing these duties because they are proud to be born Thai cannot tolerate seeing their nation being destroyed by foreign aggressors. We want to see politicians and those in charge of administering the country in the rear to be aware of the fact that Thai people and soldiers in the border areas are risking their lives and property.

We want to see those who have made such sacrifices be praised. At least it will show that their deeds and plight at the front to defend the country are acknowledged and appreciated by the people in the rear.

Promotions and money cannot compensate for the lives of those brave soldiers. They are praised by all Thai people who owe them a debt of gratitude for they have defended the country's sovereignty and proved to the world that the Thai warriors will never allow any foreign aggressor to encroach upon even one square inch of territory of Thailand, the country which has maintained its independence since thousands of years ago.

THAILAND

STUDENT, LABOR GROUPS OPPOSE COPYRIGHT LAW CHANGES

BK150228 Bangkok BANGKOK POST in English 15 Apr 87 p 2

[Text] Student and labour representatives pledged yesterday to oppose government plans to amend copyright and patent laws in exchange for continued preferential treatment from the U.S. under the Generalised Systems of Preferences.

In a statement, Students Federation of Thailand [SFT], the State Enterprise Labour Unions Relations Group and pharmaceutical student clubs of six institutes, said there was no need to amend the copyright law, which is pending Cabinet consideration.

SFT representative Wanna Hanchaoworakun said the U.S. should sign the Berne Convention, of which Thailand is a signatory, if it wanted to protect its literary and art works, and not resort to economic pressure.

Miss Wanna also said the patent law did not need amending. Thai legislation does not cover food, drugs and drinks, which are essentials, she said. Furthermore, plant seeds and animal breeds occur through nature, which should not be restricted.

Patent laws did more to enable multinationals to drain Third World resources than to protect the rights of innovators, she said, adding that they also obstructed development.

The SFT felt the draft amendment to the copyright law, which extends protection to computer software, as ruled by the Juridical Council, was a means of limiting technology transfer.

While the council estimated the cost of copyright was 100 million baht, the cost to the nation in terms of development would be incalculable, she said.

The statement called on the Government not to bow to U.S. pressure, clearly state its standpoint and reveal its actions on the issue.

Labour representative Suraphong Intharawong said the amendments would put the country at a disadvantage because Thailand lagged behind the U.S. in development and technology.

The representatives said they would seek a meeting at the Commerce Ministry today, launch a campaign against the amendments between 18 and 24 April and hold a panel discussion at Thammasat University on 26 April.

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CSO: 4200/505

THAILAND

MINISTRY EASES RULES ON STOCK MARKET MEMBERSHIP

BK200419 Bangkok BANGKOK POST in English 20 Apr 87 p 13

[Excerpt] The Finance Ministry gave the stock market a big boost last week by helping it increase the supply of securities in the market.

The boost was made in a ministerial announcement easing regulations for firms seeking to be listed and authorised on the exchange.

According to the announcement, dated 16 April and effective 17 April, the Finance Ministry will allow disqualified companies to re-apply for listing and authorisation.

Previously, firms seeking listing and authorisation had to have at least 30 percent of their shares held by small shareholders. Now, however, firms which have not yet diversified their shares can seek permission to sell new shares under Article 19 ter [graf 3] of the Securities Exchange of Thailand [SET] Act B.E. 2527 within seven days of the application date.

Article 19 ter states that listed or authorised companies which are not public companies, and companies applying to be listed or authorised in the stock market, are authorised to issue new shares or debentures for sale to the general public with the permission, and under the conditions, set by the SET's board of directors.

In the past, many companies could not apply for listing or authorisation because they could not fulfill the share diversification requirements since they, as nonlisted companies, could not issue new shares for sale to the general public.

The announcement will help them diversify their shares easily, thus increasing the number of new applicants for listing on the exchange and the supply in the stock market.

Some market officials had expressed concern about the overpricing of securities traded in the market for fear of a recurrence of the 1978 crash. The attributed the overpricing to insufficient supply.

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CSO: 4200/505

## THAILAND

### CENTRAL BANK TO ISSUE BONDS TO REDUCE LIQUIDITY

BK170121 Bangkok BANGKOK POST in English 17 Apr 87 p 26

[Text] The Bank of Thailand's planned issuance of bonds will be one of its important instruments to control the money supply in the local banking system, the Central Bank's Economic Research Department Director Dr Chaiwat Wibunsawat said.

It will also help commercial banks manage their funds more efficiently, he added at a seminar held by the Thammasat Economic Association and a number of newspapers at Thai Farmers Bank's head office on Wednesday.

He said as an example that after holding the bonds for about six months, a commercial bank wanting to lend more can sell the bonds in the secondary market. "This will give banks more flexibility in adjusting themselves through the management of their portfolios of Central Bank bonds," he added.

To absorb the excess liquidity, he noted, the Bank of Thailand has also introduced two more instruments: Pre-maturity redemption of rediscount facilities and interest incentives in the repurchase market.

Dr Chaiwat attributed the excess liquidity in the banking system to many causes including exporters' self-reliance on own loans, increased borrowings from abroad and commercial banks' internal problems.

He said the total outstanding deposits of the banks are now about 640,000 million baht, while their outstanding loans total about 560,000 million baht.

Although commercial banks have claimed that the excess liquidity is now about 60,000 million baht, it is actually not that high because the banks have invested their money in many markets, including government bonds.

"Although the bonds carry relatively low interest rates, they can be used as the banks' required reserves," he said, adding that the actual excess liquidity is about 35,000 to 40,000 million baht. He suggested that the banks balance their deposit and lending interest rates to boost borrowings. But he said interest rates are unlikely to be reduced further as they have been substantially cut over the past year.

"So, to solve the problem, it depends on the improvement of the domestic economy and the banks' readiness to adjust themselves into the merchant and retail banking fields," he noted.

Also speaking at the seminar, Siam Commercial Bank executive Vice President Dr Olan Chaiprawat said commercial banks normally extend credits to three main sectors: Corporate, small and medium-sized businesses, and consumers.

He said the corporate sector, covering multinational corporations and big local firms and accounting for 20 to 25 percent of all companies using local financial sources, can choose their own sources to borrow from, both here and abroad.

"They can also negotiate for a better rate, called super prime rate, which is now about 6.5 percent per annum," he added. Although the banks' costs are higher than the super prime rate, they have to lend to these corporate clients as it is better than keeping money idle.

Meanwhile, Thammasat University's Economics Faculty dean Dr Praiphon Khumsap said the real cause for the excess liquidity problem is that real interest rates are too high. "Commercial banks should cut the rates further. However, the banks have tried to avoid pricing competition," he commented.

Dr Praiphon urged the Government to spend more money. "If the Government spends too little, the economy will recover at a slow rate," he noted.

To reduce external borrowings, he suggested that the Government develop the rural areas to stimulate the overall economy as it is the least import-oriented.

Thammasat lecturer Dr Nopphon Phaophongsakon said the Central Bank should lessen its supervision and examination of commercial banks.

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CSO: 4200/505

THAILAND

COMMERCE MINISTRY OFFICIAL ON RICE PRICE TREND

BK160245 Bangkok THE NATION in English 16 Apr 87 p 19

[Excerpts] The Commerce Ministry expects more active local rice trading with higher prices despite the fact that the U.S. Department of Agriculture [USDA] has refused to change its prices.

Deputy Director General of the Department of Foreign Trade, Pracha Charutrakunchai, said the prices fixed by the USDA on 14 April remained unchanged.

Pracha said foreign rice prices have become more active during the past 10 days, particularly broken rice. Thailand has been able to substantially export broken rice A1 special up to 50,000 tons to the Soviet Union and Vietnam through the private sector.

There will be more deliveries of broken rice from April to June. North Korea needs up to 40,000 tons and exporters will sell through brokers to Senegal up to 30,000 to 40,000 tons.

The private sector expects to sell during the next 10 days up to 130,000 tons. Market reports said that Bangladesh wants to buy at least 100,000 tons of Thai rice next week.

Pracha said that foreign buyers have been placing orders for Thai rice and more are expected next month. "All these factors will push up the prices," he said.

Thailand has exported 1,333,921 tons from January to 14 April, said Pracha. The local market is stable with surging demand by traders and exporters.

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CSO: 4200/505



THAILAND

COMMERCE MINISTRY TO DEVELOP CENTRAL RICE MARKET

BK210342 Bangkok THE NATION in English 21 Apr 87 p 17

[Text] The Commerce Ministry plans to develop the central rice market at the Department of Internal Trade for foreign brokers to engage in forward sales or futures trading. This will lead to more stability in the domestic rice trade, said a senior official.

Commerce Permanent Secretary Phatchara Itsarasena said he gave instructions in February for the department to prepare the rice market for further development.

Deputy Commerce Minister Prachup Chaisan has formed a committee comprising members of the government and private sector and it is headed by Yongyut Kunrat, a leading rice exporter to Hong Kong.

Phatchara said he wants to see brokers engage in international bidding. "Major commodities such as sugar, maize and others are traded in futures market. It is therefore quite strange that Thai rice does not have a well-established futures market," he said.

Phatchara said he foresees the role of the central rice market to have significance at the national level. At present, rice from Pakistan and Burma are sold through international bidding and this method reduces risks.

"If we can develop our market to become a futures market, we will know rice prices in advance and farmers will decide whether they should grow paddy or other crops by seeing the trend.

This market will have mainly brokers who participate in bidding. What to follow is the development in facilities such as warehouses for grain handling. "Exporters would not be worried over delay in handling because the cost can be shared. Exporters can then concentrate on seeking new markets," he said.

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CSO: 4200/505

## THAILAND

### RICE EXPORT VOLUME EXPECTED TO DROP IN 1987

BK170217 Bangkok THE NATION in English 17 Apr 87 p 19

[Text] Thailand's rice exports this year will reach an estimated 3.8 million to 4 million tons, down by 300,000 tons to 500,000 tons, according to the Department of Business Economics.

Despite the falling production volume, the value of rice exports has been edging up because of the government's attempt to slow the sales of rice by farmers, the support for rice mills and merchants to stock rice through low-interest loans and better quality Thai rice due to favourable weather.

The Ministry of Agriculture and Cooperatives, meanwhile, estimated that paddy production will total 21.16 million tons or about 13.9 million tons of rice. Of that 9.29 million tons are for domestic consumption and 3.8 million to 4 million tons for export with about 740,000 tons remaining in stock.

In the first three months of 1987, Thailand's rice exports dropped 4.65 percent to 1.23 million tons worth 5,232 million baht. Exporters accounted for 850,000 tons and the government 380,000 tons.

During this period, about 30 percent of Thai rice exports were shipped to African markets such as Senegal, the Ivory Coast, Somalia and Zaire. Secondary markets for Thai rice exports included China, Hong Kong, Singapore, Malaysia, Iran, Dubai and Saudi Arabia.

The rice price was edging up during the first three months. In March, 100 percent Grade II rice averaged 5,352 baht per ton, up 11.7 percent from January; A1 broken rice was 3,305 baht per ton, up 23.0 percent; long-grained glutinous rice was 5,420 baht per ton, up 4.5 percent; and 5 percent par boiled rice averaged 4,695 baht per ton, up 13.6 percent.

The price of rice exports during the first three months of 1987 also surged with 100 percent rice averaging US\$226.5 per ton, up 6.3 percent from January; special A1 broken rice at \$141.5 per ton, up 9.9 percent; long-grained glutinous rice at \$250 per ton, up 5.9 percent; and par boiled rice was \$191.5 per ton, up 7.6 percent.

Meanwhile, worldwide rice production in 1986/1987 will drop 2.4 million tons to 467.8 million tons. Since the major rice exporters, such as Thailand and the United States, have been slowing their rice exports, the volume of rice on the world market in 1987 will be an estimated 11.5 million tons, down 500,000 tons over the previous year.

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CSO: 4200/505

THAILAND

DAILY CRITICIZES GOVERNMENT DEVELOPMENT BODIES

BK201204 Bangkok NAE0 NA in Thai 19 Apr 87 p 3

[Editorial: "Fruitless Development"]

[Text] Several Western-style development plans have been implemented in Thailand since 1959, some 3 decades ago. However, the results of such plans appear only on paper. The people's living conditions remain substandard.

We have the Office of the National Economic and Social Development Board [NESDB] to formulate development policies with some help from other government agencies such as the Budget Bureau, the Department of Economic and Technical Cooperation, and the Board of Investment [BOI].

These agencies meet regularly, but after their meetings they work independently and lack coordination. This is the reason that many projects were implemented incorrectly or had to be scrapped while others failed to achieve their objectives.

Let us take the NESDB and BOI as examples. These two agencies have not coordinated, although their work has been related for the past 20 years. They do not seem to bother to find out why many projects have failed.

The sixth national development plan is aimed at turning Thailand into a newly industrialized country with emphasis on development of industries using agricultural products as raw materials and import substitution. However, the BOI has not yet made any preparation to that effect. It has not even encouraged the private sector to organize international trade and technical exhibitions in the country.

It should also be noted that the BOI tends to be highly dependent on technology from foreign countries, especially Japan. It has granted promotional privileges to a Japanese firm to set up a sheet iron cutting plant in the country, although some 30 such firms have been operating without such privileges. Many types of industry, such as textile factories, can absorb much labor. Unfortunately, factories of this nature are not allowed to expand, nor are new ones allowed to be set up. This is the practice of industrial birth control.

We have no faith in either the BOI or the NESDB. What they seem to have been doing is gathering beautiful statistics for their reports. They have no principles and have not provided any useful guidance for the development of the country. They simply take it easy and let time pass by.

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## BRIEFS

ACTIVISTS ASSURED ON PATENT ISSUE--The Commerce Ministry yesterday assured a group of student and labour representatives that any change in the 1979 patent law would not cause a monopoly and profiteering by patent holders. Commercial Registration Department Chief Sukhon Kanchanalai and Foreign Trade Department Chief Oranut Osathanon explained the Government's position on the patent issue to student and labour representatives. The officials said the existing law allows the same patent to be registered in case the initial holder does not produce any goods from the patent in three years or he monopolises the market. The law also requires the patent to be cancelled if the holder doesn't produce any goods within six years. They said the ministry can also wield power under the Anti-Monopoly and Profiteering Act to prevent damage to consumers. Ms Sukhon said the Government has not initiated any amendment to the patent law and noted Thailand has not come under any foreign pressure to amend the law. [Text] [Bangkok BANGKOK POST in English 16 Apr 87 p 3 BK] /12858

TAX CRITERIA TO ATTRACT INVESTORS--The Finance Ministry is revising five criteria in the tax structure to create a more favourable climate for foreign investment, Deputy Finance Minister Supphachai Phanitchaphak said yesterday. He said the first one is the personal income tax on foreign investors, whereby the ministry will provide them with clearer information so that they will not have any difficulty in declaring their incomes and tax payments in their hometowns. The second criterion is the retroactive taxation period which will be cut to two years and, if impossible, to only one year, he added. Dr Suphachai said the Ministry will also eliminate double taxation, in line with the new taxation system, the value-added tax. The fourth criterion concerns customs duties, he said, adding that the ministry will adjust the rates to be fair to foreign investors. The last one is taxation in export processing zones. Dr Supphachai said the rates will be fair and the taxation process efficient enough to encourage them. He said the revision will be completed as soon as possible. [Text] [Bangkok BANGKOK POST in English 16 Apr 87 p 19 BK] /12858

'TOUGHER' RULES ON STOCK MARKET TRADING--The Bank of Thailand has announced tougher regulations on securities trading by finance and securities companies serving as brokers. The rules, due to take effect on 27 April, impose higher margin loan and shorten the period for cash account settlement. The new regulations are designed to prevent the creation of artificial demand for

securities caused by speculation and excessive trading volume. Brokers and sub-brokers are required to list transactions in their portfolios. The margin loan is increased from 25 percent to 35 percent. When buyers want to acquire stocks, they are required to place guarantees or make payments up to 35 percent of the contract value beginning 17 April. For cash account transaction, local buyers have to settle payments with their brokers within three days after the orders for stocks have been placed. Foreign buyers have up to seven days for settlement. If payments are not made within the specified period, the brokers or sub-brokers are allowed to dispose of the acquired stocks. The regulations were approved by Central Bank Governor Kamchon Sathirakun last Friday. They were also endorsed by Finance Minister Dr Suthi Singhsane on the same day. [Excerpt] [Bangkok THE NATION in English 20 Apr 87 p 19 BK] /12858

CSO: 4200/505

DK PLAGUES THAI BORDER VILLAGE AFTER PAVN DEPARTURE

Vientiane PASASON in Lao 29 Oct 86 p 5

[Article: "Miss Thani's Phum Thmei"]

[Excerpt] There are many new villages in the northwest in the area of the Thai-Cambodian border. And in this area Thani is the name given to 20-year old girls who are members of the Kampuchean People's Revolutionary Party.

Phum Thmei, a village the people call "Phum Thmei of Miss Thani," is an appropriate place for Thani following the years, months and days they have been closely involved with the revolutionary struggle and fighting life and death against the routed Pol Pot clique. Phum Thmei used to have only 30 wooden houses with thatch roofs. After the revolution a Vietnamese volunteer unit helped to repair the houses and raise the standard of living of the people here, and helped them to feel secure and happy. However, after the volunteer unit returned to its country the Khmer reactionaries took advantage of the opportunity to incite and destroy the village, and each time the revolutionary battalion attacked and chased them away they fled to the Thai border. The routed Pol Pot clique has committed uncounted crimes. They have burned storage buildings and houses. They killed old people and children. They raped and they robbed, stealing food, cattle, buffalo, pigs, dogs, ducks and chickens, until the village was nearly deserted. There were no roosters to crow in the morning and there was no barking at night. The people could not continue to live this way. There was only two choices, moving the village deeper into the country or organizing a defense force to fight the enemies. After many discussions the people in Phum Thmei decided to choose the latter.

The whole village decided to fight the enemies and to defend their houses. The district gave them 3 AKA rifles, 2 SKS, 3 carbines, 1 B-40 and bullets and grenades. In particular, the district sent cadres and party members who are young but experienced in combat in order to organize and mobilize the people to join the revolutionary movement. They are not young, strong men but lovely and sweet girls named "Thani" who have begun to carry out their duty along with "Uncle Tha Peg" who were selected from trustworthy young men to organize target practice and guerrilla-style military strategy and tactics. After fighting and gaining experience, the Thani have mobilized and trained the whole village for combat using techniques to attack the enemies in order to obtain their weapons. This is the only way they will have enough weapons for the



massive combat. Since then, whenever the villagers go to a forest or work in the highland cultivating or cutting firewood, if they see a small group or scattered enemies, they will organize to attack the enemies guerrilla-style and seize their weapons. The Thani are also involved with other local guerrilla units so they are united in their use of signals and the spy system. Besides doing patrolling and guarding, the Thani have also organized secret spy units to ferret out the enemies' situation. Since then, whenever the enemies entered the village they were sure to be attacked and eliminated or dispersed to the Thai border.

Along with organizing the force to attack the enemies, the Thani also mobilized the people to boost their production, to build a new life, engage in rice farming highland cultivation and animal husbandry. The people's houses is improving, and the Thani have set up a school where they teach.

9884/12851

CSO: 4206/82

OPPOSITION LEADER BOULEKONE INTERVIEWED

Condemns Treaty with Soviets

Noumea LES NOUVELLES CALEDONIENNES in French 2 Feb 87 p 9

[Interview with Vincent Boulekone, deputy from Pentecost Island, member of the Vanuatuan union of moderate parties and opposition leader: "A Talk with Vincent Boulekone, Head of the Vanuatuan Opposition"; date and place of interview not given]

[Text] Boulekone discusses the Russians, the Libyan "devil," the catastrophic economy and the legislative elections.

The year 1987 will be of major importance for Vanuatu, with the legislative elections coming up in November. The politics of the archipelago depend on their outcome, and it cannot fail to affect the countries of the South Pacific, particularly New Caledonia. The fishing agreement signed on Tuesday between the Lini government and the Soviets could indeed turn out to be a destabilizing factor in this area. Vincent Boulekone has come to explain this to some two thousand of his fellow citizens living in New Caledonia.

It is no accident that this agreement has been signed now. For Moscow, it is the payoff to Soviet expansionist efforts in this region, and for Vila, it is the culmination of the economic disaster that government policy has been leading up to since it came to power almost 7 years ago. Vincent Boulekone also considers that the 160 million CFP francs that the Russians are giving Vanuatu will not help matters; on the contrary, "This sum will actually cause us to lose a billion or more in public and private funds."

The opposition leader also thinks that the Western powers that have been helping Vanuatu will pull out and that investors will leave. This trend appears to have already started. "The banks are empty, capital is escaping every day, and the financial center as well as Vanuatu's image as a tax haven have lost their value," he says.

Boulekone adds that the threat that this agreement holds over Vanuatu and its surroundings takes another form: "national and regional insecurity." The Russians now have a solid anchorage in the South Pacific, and it will be hard to dislodge them. The threat of communism has been quickly noted in Vanuatu:

"The people of the islands and villages are quite aware of it. They quickly realized what it was. For them, it's the devil himself. The churches recently issued a statement opposing the agreement and the Russian advance, and all the opposition parties have followed suit." Walter Lini has ignored these protests.

#### The Devil

The Russians are "the devil." But they are not the only ones. The devil is also Libya, Moscow's ally. The Vanuatuan people have not forgotten the eight young people (six from Vanuatu and two from FULK) who were sent to Tripoli.

According to the Vanuaaku Pati, they went as apprentice "journalists." But no one is fooled, especially because some of these young people were known to be practically illiterate. The people of Vanuatu are afraid of them. "They speak of them as of a clear and present danger, especially because they are expected to return before the elections," says Vincent Boulekone. The Russian "devil" and the Libyan "devil" are quite a lot to bring to such a small, new country.

#### Agreement on Issues

The fishing agreement with the Soviets as well as the Libyan danger are obviously two of the issues that the moderates will dwell upon in the campaign. There will be many others. The economy is in free fall. Boulekone says that "French-speaking civil servants are being laid off one by one, as are English-speaking members of the opposition." Expulsions are ordered "just out of spite," and they are serious when they involve investors or interfere in a legal dispute between employer and employee, etc.

All these issues are truly important and serious, and they may make it possible to change the majority in Vanuatu. But, as polls have shown for years in the archipelago, the opposition will win these elections only if it is united. The recent proliferation of small parties will be a handicap. Vincent Boulekone is aware of this: "One vote may make the difference in the political balance of power. We are going to ask the other opposition parties to set up a joint campaign platform with us. We have to reach out to these new parties, which have been created by dissidents from the Vanuaaku Pati, and offer them a joint program."

#### Revoking the Agreement with the Russians

"If we win the elections, we will cancel the agreement with the Russians," says Vincent Boulekone. "But that will raise problems of legality and indemnification. We aren't the only ones involved in this matter. First, because we aren't the contractors. Second, because the countries of the region are concerned about the Russian advance. We will have to stand together to revoke the agreement and have mutual support on the indemnification problem." Turning back the Russians is a matter that concerns more than just the opposition in Vanuatu.

Vincent Boulekone has other ambitions for his country: "Vanuatu must be restored to its true role as a bilingual country, and it must show a new face." These are high ambitions, but they are sensible and not impossible.

## Describes Internal Conditions

Noumea LES NOUVELLES CALEDONIENNES in French 2 Feb 87 p 9

[Statement by Vincent Boulekone: "The Opposition's Basic Principles"]

[Text] It is deplorable but true. If we believe Vincent Boulekone, a moderate deputy from Pentecost Island and leader of the opposition in Vanuatu, practically all freedom of speech has been suppressed in his country. Thus, those who have something to say are forced to go to New Caledonia, where this basic freedom still exists, in order to be heard.

Vincent Boulekone has turned to LES NOUVELLES CALEDONIENNES to set forth a set of basic principles that the moderates have adopted. In fact, these principles all concern civil rights: the right to vote, to oppose an agreement, to speak, to practice one's religion and, finally, to be in the opposition.

Mr Boulekone's declaration follows.

"The opposition represents the vast majority of the Vanuatuan people. Walter Lini's Vanuaaku Pati is therefore a minority party."

New Caledonia

"We declare our opposition to Walter Lini's current policy of interference in France's affairs. New Caledonia is constitutionally and institutionally a part of the French nation. Since this territory is a multiethnic society, it is difficult to accept that the Kanak people alone have the absolute right to determine the future of New Caledonia.

"This future must involve all ethnic groups. The entire New Caledonian community has the right and duty to be involved in it.

"This definition of a multiethnic society is also valid for Vanuatu, which has a population of very diverse origins. Naturalized Vanuatuan of all classes ought to have the same rights as everyone else. That is not presently the case.

"The referendum is a constitutional act. Whatever its result, we will recognize and support the authority of the voters, because we respect the constitution.

"The opposition thus condemns the Lini government's policy according to which only Kanaks may determine the future of New Caledonia. This argument strikes a blow at the spirit of the French constitution.

"The referendum is an act that concerns France's internal affairs. Consequently, international organizations such as the United Nations have no business in these activities. The only restriction would involve international relations."

The Fishing Agreement

"Nearly 90 percent of the Vanuatu people are hostile to the fishing agreement with the Soviets. The people do not accept this agreement even when they consider it from an economic and financial standpoint.

"It means that the Soviets are authorized to use Vanuatu as a center for spreading communist strategy and propaganda in the Pacific."

#### Freedom of Opinion

"The opposition does not understand Walter Lini's policy when it preaches the right of peoples to self-determination and democracy while in Vanuatu basic civil rights are not recognized and are scorned by government officials.

"The opposition does not have the right to speak on the radio and cannot write for the country's sole newspaper, the VANUATU WEEKLY."

#### The Churches

"Some churches (Catholic and Adventist) are persecuted by the Lini government, which does not recognize the right to profess certain religious convictions. In Tanna, the police have expelled Catholic missionaries from one village. The missionaries must now ask for police permission to say mass, and they are often refused.

"Some Catholic priests who are foreign nationals have been expelled from Vanuatu for no obvious reason. The Adventist church has also been expelled from the islands of Erromango and Mallicolo. On Mallicolo, the police have confiscated all the materials that were to be used for building a church and a school."

#### The Opposition

"Civil rights are constantly flouted. It is not possible to express opposition to the government.

"As for myself, Vincent Boulekone, deputy and head of the opposition, I have been purely and simply expelled from parliament. My functions as a deputy have been suspended indefinitely, no doubt until the next legislative elections.

"Even though the Supreme Court found for me in the case of my expulsion, the government appealed and at the same time changed the jurisdiction of the case.

"The court of appeals now hearing the case has not yet met, because the government is doing all it can to delay. Thus, the judges of this court will be appointed by a special commission presided over by Prime Minister Walter Lini.

"This commission has not yet met and will certainly not meet before the legislative elections. Meanwhile, I cannot resume my seat as a deputy.

"The opposition will not accept this situation or such injustices. It will do the impossible to correct them by legal means, because it remains respectful of the constitution and of democracy."

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CSO: 4219/18

## SWEDISH GOVERNMENT GIVES ULTIMATUM ON CONTINUED AID

Stockholm SVENSKA DAGBLADET in Swedish 3 Apr 87 p 8

[Article by Ola Sall: "Government Gives Vietnam Ultimatum on Aid"]

[Text] Swedish aid to Vietnam is going to cease completely after 1990, unless Vietnam has not withdrawn its troops from Kampuchea before then. This was decided by the government on Thursday [2 April], following the recent visit of Foreign Aid Minister Lena Hjelm-Wallen to Vietnam. While there she received a promise from Vietnamese leaders that the troops are to be withdrawn at the latest by 1990.

"If Vietnam does not fulfill its commitment to withdraw the troops, it must have negative consequences regarding our aid cooperation," said Hjelm-Wallen in her comments.

## No New Agreements

The government decision means that SIDA is being allowed to prepare plans for continued aid into the 1990s, but is not allowed to make any agreements at all with Vietnam.

Vietnam aid and the Swedish paper mill in Bai Bang has been the most heated subject of debate in the Swedish foreign aid program throughout the decades of the seventies and eighties.

"This is a unique government decision, but the situation is also unique," said Undersecretary of State Bengt Save-Soderbergh. "We currently have a long-range program of cooperation with Vietnam, but in order to reserve a free hand for ourselves beyond 1990, SIDA needs to be able to plan its own activity in advance. Therefore, this directive from the government was required.

The Kampuchea issue has long been a serious burden in Swedish relations with Vietnam. The government has on several occasions expressed criticism of Vietnam's occupation, but has never previously given an ultimatum.

Save-Soderbergh indicated that the decision was based entirely on principles of international law, and not on ideological principles, or on displeasure with conditions in Bai Bang.

"We want to cooperate with countries having differing political systems, even with countries with social systems such as Vietnam," he said.

Vietnamese aid for the next fiscal year will amount to 300 million kronor, with most of this amount going to Bai Bang. According to plans currently in force, the paper mill is to be gradually taken over by the Vietnamese, and the Swedish engagement in Bai Bang is to be completely ended in 1990, in accordance with the agreement with Vietnam. If this aid is to continue beyond 1990, SIDA must find new projects in that country.

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CSO: 3650/115

## PREPARATIONS FOR ELECTIONS UNDER WAY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Feb 87 p 1

[Article by T. B. T. and T. TH.: "Contact Between Candidates and Voters Must Be Well Organized; the Right To Nominate Candidates, To Stand For Elections, and To Vote Must Be Guaranteed"]

[Text] On 14 February 1987, the Council of Ministers issued a directive to guide the election of people's councils at the district, village, and equivalent levels in 1987.

Concerning preparations for elections, the Council of Ministers reiterated the need to arrange for voters to study election laws, the criteria for people's council representatives, the voters' responsibilities during the elections, and the respect for each voter's right to participate in designating candidates through consultative conferences to be held by the front and mass organizations.

The Council of Ministers instructed people's committees to seriously carry out self-criticism before people's councils which must in turn carry out self-criticism at the end of their term of office and point out what has been and not been done so that voters may express their views. It is necessary to properly organize meetings between candidates and voters and to create conditions for voters to get to know the persons they will choose for election. Candidates must tell voters what they plan to do during their term of office if they are elected.

Recently, the Fatherland Front committee in the city organized meetings with representatives of industrialists, traders, religious circles, and Chinese compatriots [dong bao nguoi Hoa] to inform them of the objectives and requirements of the upcoming elections of the National Assembly and people's councils in precincts, rural districts, subwards, and villages and also to publish the relevant criteria in order to enable mass organizations to choose and recommend candidates for elections.

The representatives unanimously approved the criteria set by the people's council for candidates to the Eighth National Assembly and to the people's councils at all levels; in particular, representatives of people-elected organs should have an innovative spirit, real abilities, and enthusiasm and



should boldly convey and support the people's aspirations. The representatives also proposed some measures aimed at properly nominating candidates--such as doing this task satisfactorily from the grassroots level on up and from all strata without limiting the number of nominees, and ensuring that persons who offer themselves as candidates to do in the localities of their residence.

At present, all mass organizations and strata are eagerly making preparations to ensure that the first consultative conferences will be held by 5 March 1987.

9332/12851

CSO: 4209/360

## MEASURES TO ENSURE DEMOCRATIC, LEGAL ELECTIONS EXPLAINED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Feb 87 pp 1, 2

[Article by Phan Van Khai, chairman of the city election steering committee:  
"Elections Must Be Carried out with True Democracy in Accordance with Law"]

[Text] On the forthcoming 19th day of April 1987, together with the entire country, our city will elect deputies to the Eighth National Assembly and representatives to the fifth term of people's councils at the precinct, district, subward, village, and town levels. On this occasion, we will also elect an additional number of representatives to the city people's council. These elections will be a highly important part of the innovative process expected by broad sections of our people and many of our comrades. To change the personnel and update the state management apparatus at all levels will be a political action of vast scope which will fully and concretely reflect the laborers' right of collective ownership in building the highest organ of power for the whole country and each locality.

In the past years, the socioeconomic situation of our country and the life of our people were beset with difficulties due to many causes, including the ineffective operation and management of the state by the administrative machinery at all echelons, the underdevelopment of the people's right of ownership exercised through the state apparatus, and the failure of people-elected organs to correctly play their role and fulfill their responsibilities as well as their occasional indulgence in formalism. Consequently, the masses' confidence in the administration at all levels and in people-elected organs diminished seriously. To overcome these serious shortcomings, the Political Bureau has stressed that during the forthcoming elections, it will be necessary to update the thinking and working methods by thoroughly applying the guiding principle that the elections must be conducted in a truly democratic manner in accordance with the law. In choosing delegates, it is necessary to correctly determine the rational relationships between structure and criteria and to refrain from taking the requirements of structural composition of various classes and strata as a pretext to lower the criteria. Election nominees must be meritorious and meet the criteria and, if elected, must be able to fulfill their missions. The composition of candidates in the forthcoming elections must include political cadres, intellectuals, scientists, technicians, directly productive workers and peasants, people of various religions, and Chinese, and attention must of course be paid to female and young delegates.

The nomination of candidates must be effected with genuine democracy from low to high echelons. For example, representatives of workers must be chosen and recommended by workers' conferences, those of peasants must be designated by cooperatives and production collectives, and those of handicraftsmen must be nominated by laborers' collectives in the small industry and handicraft sector. Patriotic religious (Catholic, Buddhist, etc.) organizations, the federation of scientific and technological associations, and other scientific associations must hold talks to exchange views with grassroots installations to choose and nominate distinguished members of their own circles as candidates for the elections. This selection must be done by secret ballot. The National Assembly is the highest state organ of power of the entire country while the people's council is the highest organ of power of each locality. To play these roles, to fulfill these responsibilities, and to exercise these powers, the presence of worthy people is necessary. Only if the National Assembly and people's councils are stable and strong can the state management apparatus become stable and strong and can the resolution of the Sixth CPV Congress be successfully implemented.

National Assembly deputies and people's council representatives must meet these criteria; namely a true ability to fulfill the responsibilities of National Assembly deputies and people's council representatives. This ability must first be demonstrated by satisfactory fulfillment of the present duties, by achievements scored in production, combat, and task execution, by close contact with realities, and by a practical knowledge and understanding necessary to assimilate novelties and to accurately assess and reflect the socioeconomic situation and living conditions. Deputies and representatives must have the struggle spirit to change things and to check negativism and other acts which prejudice the interests of the people and state and violate the people's right of ownership. They must have political qualities and revolutionary ethics. They must be loyal to the fatherland and socialism, clearly understand the minds and aspirations of the people, stay close to the people, voluntarily and conscientiously devote all their spirit and efforts to the people's service, refrain from oppressing the masses, and set a good example by properly carrying out tasks and activities and implementing state policies and laws. They must enjoy real prestige among the strata to be represented by them. To gain such prestige, they must set a good example by displaying revolutionary virtues and the ability to carry out their tasks effectively.

In short, the future National Assembly deputies and people's council representatives must be persons who represent all strata and the intellect of the city and who are chosen, recommended, and elected by the people. This is the essential condition for us to build an administration which belongs to the people, comes from the people, works for the people, is elected by the people, and serves the people.

The Sixth National Party Congress has correctly and creatively set forth socioeconomic development goals together with three important economic programs on grain, food products, and consumer and export goods. To attain

these basic targets, it is necessary to strengthen the administrative system at all levels and to enhance its effectiveness to enable it to realize the party line and policy and the state law, and to organize their implementation. Therefore, the forthcoming elections must clearly manifest the democratic spirit and right of ownership of the people by applying the motto "the people know, debate, work, and control" in order to vividly carry out the democratization process and closely associate the people with the party and state. The specific tasks to be done in our city are as follows:

-The number of electoral units must be increased. Though each unit will elect only three representatives, the number of prospective representatives must exceed that of elected ones by at least two. For example, electoral unit No 9 in Binh Thanh will elect only three representatives but there must be at least five nominees for the elections.

-The choice of election nominees must really be based on grassroots installations, labor collectives, mass organizations, associations, and the people's level of political awareness. This choice must be effected by secret ballot, and imposition, coercion, and commandism must absolutely be forbidden.

-The Vietnam Fatherland Front must heed the opinion expressed by the people and laborer collectives in the residential and working place of the election nominees and must coordinate this task with holding consultative conferences with various sectors and mass organizations in order to ensure that the list of nominees be really made from the low echelon on up. All conditions must be created to enable the masses to know the nominees. Nominees must contact the constituency and impart their intentions, programs of action, capabilities, and standard of knowledge to the voters to enable the latter to make their choice.

At the beginning of the electoral campaign, our city must immediately do these tasks: organize an intensive and extensive propaganda drive among the people; mobilize mass media within the boundaries of the city and of every precinct, district, subward, and village--such as the press, radio and television stations, wired radio networks as well as propaganda cadres of all sectors and mass organizations--to clearly explain the objectives and meaning of the elections, and the guiding spirit of updating the thinking pattern and working method in order to enable the people to understand more clearly the laws on elections and on the organization of the National Assembly and the people's councils and committees, the election procedures, and the citizens' rights and obligations so that the people may nominate and select worthy persons capable of fulfilling their duties. Adequate arrangements must be made for National Assembly deputies and people's council representatives to report their tasks to voters, and for people's committees at all echelons to report their tasks to people's councils with the intent of looking into the truth, with a critical and self-critical spirit, and the determination to correct shortcomings. The opinion of people in each basic unit must be carefully collected with a view to nominating election candidates in accordance with election laws. The

elections which we will carry out soon on 19 April 1987 will be an event of great political significance. As voters, let every one of us fulfill his responsibilities to the fatherland and people, actively participate in the election preparations, examine, choose, and nominate candidates, and enthusiastically go to the polls and urge others to do so.

To elect delegates to the National Assembly and people's councils--delegates who are firm and strong and capable of administering state and local affairs, who possess pure revolutionary virtues and meet the criteria, and who can satisfactorily fulfill their missions thanks to the people's active support--is to realistically contribute to implementing the resolution of the Sixth CPV Congress on the need to update the organization and apparatus of state management.

9332/12851

CSO: 4209/360

## VO TRAN CHI SPEAKS ON BASIC LEVEL PARTY ACTIVITY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Feb 87 p 2

["Abridged version" of remarks made by Vo Tran Chi, Secretary of the Municipal Party Committee, to the Bach Tuyet Paint Enterprise on 14 February 1987, as recorded by Phuoc Sanh: "Party Work at the Basic Level"; first paragraph is SAIGON GIAI PHONG introduction]

[Text] On the anniversary of the founding of the party this year, party basic levels throughout the city have begun a phase of "Raise the Leadership Abilities and Combat Strength of the Party" activity. On this occasion, the Bach Tuyet Paint Enterprise party organization arranged for the cadres, workers and civil servants of the entire enterprise to cast a vote of confidence in party members. This is a bold method of renovating leadership behavior. On 14 February 1987, Vo Tran Chi, Secretary of the Municipal Party Committee, visited the Bach Tuyet Paint Enterprise and expressed a number of opinions on this work. We wish to present below an abridged version of the remarks made by Vo Tran Chi at the Bach Tuyet Paint Enterprise.

I notice that in our party work at the present time, the weakest link is the basic level, especially the basic production and business units. It seems that party organizations in those locations are unable to develop their leadership role, and only conduct party affairs activities: party admissions, internal reviews, study organization, party member direction, etc., while in the enterprise production, situation of the worker masses, and daily life, party organization responsibility is unclear.

So, why do we have the party? In a statement to SAIGON GIAI PHONG not long ago, I stated that the party was formed to lead the masses and to serve because of the masses. Every activity of social life in our system must have party leadership. The party leads, first of all the masses. The party leads in this enterprise, primarily through Youth Union and trade union leadership. In leadership, most important of all is the relationship between the party and the masses. How does the party know the thoughts and aspirations of the masses? What is their perception of socialism? What assistance has the party given the workers and laborers in understanding socialism and in actively contributing to build a socialist society?

Apparently party members now no longer have a mission of politically educating the masses. When they do, there is only generalized and distant theory and no one wants to listen because the listener does not recognize the family and the realities of life.

In this enterprise, your recent vote of confidence in the party members was good. Don't be a great deal concerned that the desired results have not yet been attained. Presently in a number of locations, there are a number of party members who only have the label. Actually, they no longer have the confidence of the masses and are not a bit concerned about it. This is extremely dangerous. I agree that your recent preparations were incomplete and experience should be gained to do better. Everyone must be made to understand how categories A, B, C, etc., are arranged. Those in charge of the trade and youth unions receiving a few less category A votes than the Secretary and Director means that the masses are demanding that they engage more in the trade and youth union work. Because we still have shortcomings in the education work, there are possibly those who still have the simplistic attitude that party members are "extraordinary." A vote of confidence is an extremely good occasion to inspect the confidence of the masses in the party members. In my opinion, it is extremely praiseworthy. The political value of a party member is primarily in the confidence of the masses.

The highest political standard of a party member is whether he is trusted by the masses and to what degree. If a leader has no one to follow, whom will he lead? What has a party member, who has separated himself from the masses, left to call him a party member? Therefore, although shortcomings still exist due to incomplete preparation, it must be affirmed that your methods are extremely good. The results were few but extremely essential. In the present situation, very few locations have done so.

In my understanding, you have no quality violations here but confidence in ability is low. Your professional capabilities are probably satisfactory but there is still a lack of ability in mass work. The party member is the one who leads the way, and knows how to educate, persuade and draw everyone to follow. He must know how to give concern to the masses, not only in the material but also the spiritual aspects. With the masses close to him, newer and more beneficial things can be found. This is a legitimate demand. The party member must have a vanguard spirit and a mass attraction. If no one wants to be close to a party member, why is he a party member?

On this occasion, I suggest that you again inspect the relationship between the party chapter and each party member with the masses. If the workers and civil servants no longer see a need, you are in substance no longer party members. Only on that basis do you have the conditions necessary for strengthening the youth and trade unions and developing the party.

I also suggest that you practice the concept of the party leading, the people (here the workers) controlling, and the administration managing. Only with the party leading can the masses be in control. To control is to achieve collective ownership with organization and discipline, not everyone for himself. For example:

The greatest difficulty of the enterprise at the present time is a shortage of raw materials. Therefore, it is necessary to properly mobilize everyone in the enterprise (also possibly expanding outside the enterprise) in efforts to study and satisfactorily resolve this difficulty. Sufficient raw materials must not only be ensured for immediate production but also for a reserve. On that basis, the enterprise can steadily develop, contributions can steadily increase, and your lives will become steadily better. Anyone who can study and find a method for resolving this greatest difficulty of the enterprise is capable of participating in the management posts of the enterprise. The party chapter can lead a vote of confidence in that individual for introduction to the enterprise's management components. In my opinion, the worker masses should soon cast votes of confidence in the enterprise director for review by the higher echelon management agency. The basic level party organization must lead in properly achieving this task. Such a recommendation by the masses is to participate in control. That is to say that a director in a basic production or business unit, differing from a service director, is a cadre engaged in an economic and administrative management mission and must be appointed by the state.

On the other hand, does the party have management leadership? If it does, what is the management authority of the unit chief? This must be clearly differentiated. State management here is that the director has complete authority to decide management work in the enterprise. The opinion of the party secretary on management work is only of a consultative nature. This is decisive. Party leadership is the party committee and party chapter collectively coordinating with the Communist Youth Union and trade union to regularly inspect whether compliance by the director with the policies and resolutions of the party and positions of the state is good or bad, and whether it is benefiting the enterprise and workers or not. Are the quality and behavior of the director good? Opinions should be contributed in a collective manner and if deemed necessary, a vote of no confidence in the director may be made without interfering with his decision authority. The principle of leadership is collective. The party secretary and committee echelon join the youth and trade unions to achieve a function of supervision and inspection, not that the director must, in trading with another location, run back to ask concurrence from the party secretary and committee echelon before he signs a contract. The party committee echelon leads by collective resolution. The director, in his status as the unit leader, issues decisions for achievement of management work. Leadership committee echelons in a number of enterprises differ from those in precincts, districts, subprecincts, villages, etc. Activity in an enterprise is concentrated. Leadership in an enterprise is direct production leadership and must be as urgent as that in combat operations.

Proper achievement of the party leading and the workers controlling will create a strong political motive force which, in conjunction with management on a scientific foundation, will produce high overall results. The mechanism above must be achieved primarily at the basic level because that is where the forces of the masses are truly located and where direct material production is conducted.



Finally, I wish to present one additional opinion: after holding the vote of confidence, you must not stop. The party chapter must sit down and evaluate what was right and what was not in order to gain experience and to have methods for developing the good aspects and overcoming the bad. Continue your straightforward internal struggle. Have no prejudice against anyone, especially the masses, including the most deficient. A prejudiced person cannot lead. A party member cannot reach socialism on his own. On the other hand, the trade and youth unions must be convened to evaluate the effect of the vote in order to educate and unceasingly raise the political awareness of the worker class. In this, the party member must uphold his role and responsibility, and know how to acknowledge existing shortcomings in order to achieve better results in the next vote of confidence. This will assist both the party chapters and mass organizations in becoming steadily stronger, and will create the basic conditions for efforts to build a pure and powerful party organization.

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CSO: 4209/388

## CITIZEN COMPLAINT SETTLEMENT BEHIND SCHEDULE

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

[Article by Thanh Binh: "Nearly All Citizen Complaints Right but Many Locations Not Giving Attention to Resolving Them"]

[Text] Assisting to achieve the major campaign of raising the leadership ability and combat strength of the party, and resisting bureaucratism and annoyance for the people, the Ho Chi Minh City inspection sector has defined the specific task of 1987 as to continually streamline open court work, making it a procedure, and ensuring effective achievement. The sector has also proposed that the Municipal Party Committee and Municipal People's Committee provide specific supervision to the chiefs of agencies, sections and sectors from the municipal to the precinct, district, subprecinct and village level in arranging open court schedules with efforts for on-the-spot resolution of problems within their jurisdiction, to review backlogged complaints, and to resolve new ones to restore the confidence of the masses after the recent phase of self-criticism and criticism. Open courts have not yet been held in the villages.

A situation worthy of attention is that of 6,495 complaints within their jurisdiction, the municipal inspection sectors during 1986 resolved 5,595, of which only 8.6 percent were inaccurate. At the present time however, many units have not yet given attention to resolving the complaints of the masses. Specifically, the Labor Service Inspection Department has only resolved 29 percent of the complaints received while the Culture and Information Service has handled more than 50 percent. According to the Municipal Inspection Committee, violations of the law and erroneous policy are common. The circuitous transfer of citizen complaints from one place to another with no one stepping in to resolve them is still serious at the present time.

One of the central tasks of the municipal inspection sector during 1987 is to concentrate on supporting achievement of the three major economic programs of producing grain and food, consumer goods, and export goods. Included is this is attention to inspection of production investment plan achievement, creation of an export goods base, distribution of import goods, and use of foreign exchange precisely in accordance with state regulations.

The municipal inspection sector will also conduct a phase of inspection in each sector and echelon to see how many decisions and directives of the Municipal Party Committee and Municipal People's Committee are not being implemented.

## MOONSHINING IN RENTED PAGODA UNCOVERED, CONDEMNED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Feb 87 p 4

[Article by Tran Quang Thinh: "Moonshining in Rented Pagoda"]

[Text] "The market management forces of the city has discovered that the Beverage-Beer-Wine Enterprise subordinate to the Dong Nai Food Industry Corporation rented the P.Q. pagoda near Tan Son Nhat airport for use as a transit station (without notifying the local authorities) but actually used it to illegally produce, buy, and sell wine. The material evidence included 13,455 bottles of wine of various kinds bearing the labels "Hang Khong Appetizer," "Dong Nai Cognac," "Ba To Honey," "Fruit Juice," "Hang Khong Ginseng," "Special Soybean Milk," and "Nang Huong Wine," together with 2,870 liters of distilled alcohol, 584 empty bottles, 56,858 labels, many bags, and production and processing equipment."

The foregoing is the text of a report sent to the city party and people's committees which the author of this article has quoted (with the abbreviated name of the pagoda) and on which he cannot help make some comments:

Because a pagoda is a solemn place, renting it and using it as an alcohol transit station was an improper act. It is regrettable that the pagoda owners did not know anything about its use but the fact that the tenants took advantage of the pagoda status to deal in wine and alcohol is more deplorable. Renting the pagoda without notifying the local authorities, feigning to use it as a transit station but actually using it to illegally produce, buy, and sell large quantities of wine and alcohol, and mixing genuine and registered trademarks with phony and nonregistered ones were infractions of law. Though the city had promulgated many regulations forbidding drunkenness, though many committees, sectors, and organs had launched an antidrunkenness movement, and though propaganda organs had condemned drunkenness, and the city commercial sector had reviewed the tasks done to serve the people during the Tet holidays without saying a word about alcohol dealings, and while many restaurants subordinate to the food and beverage sector were strictly carrying out the order prohibiting the sale of alcohol--the above-mentioned incident can be said to be a counterflow which fills us with anger and bitterness.

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'GREAT OCTOBER' 70TH ANNIVERSARY CELEBRATED

Tselinograd FREUNDSCHAFT in German 28 Mar 87 p 3

[Unattributed article: "In Honor of the Great October"]

[Text] Hanoi--The builders of the "Tri An" hydroelectric plant, one of the largest in the SRV, have signed an agreement on international socialist competition on the occasion of the 70th anniversary of the Great October. The Vietnamese builders and the Soviet experts working on the project are to take part in the competition. The international collective has pledged to put the first section of the plant which is to generate a total of 400,000 kilowatts into operation by the end of this year. The activation of the "Tri An" hydroelectric plant will lead to a substantial increase in the supply of energy to the large industrial center of Ho Chi Minh City as well as other cities in the southern part of the republic.

The international competition dedicated to the memorable anniversary has spread to other economic projects being worked on by the SRV with the help of the Soviet Union. The Soviet and Vietnamese builders of Hoa Binh hydroelectric plant, the largest in Southeast Asia, have decided to speed up the commissioning of the first unit of that plant. The "Vietsovet" collective, a joint oil and natural gas exploration and drilling project on the continental shelf in the south of the SRV, has pledged to pump more than 1,000 tons of petroleum over and above the annual target.

9478

CSO: 4620/25

## UNITS PERFORM FOREIGN CONTRACT CONSTRUCTION

Hanoi NHAN DAN in Vietnamese 4 Mar 87 p 2

[Article by Mong Hung, Ministry of Building: "Export Construction"]

[Text] In the world at the present time are nearly 300 large construction firms from many countries engaged in contract construction in foreign countries, called export construction. The total monetary value of contracts held by these firms for construction in foreign countries is \$80.5 billion. Of the socialist countries, Hungary during the past 5 years has performed export construction for 30 nations to earn 34 billion forints, primarily for building hotels, warehouses, stores and industrial facilities.

Our country during the past few years has also begun export construction. The first form was contract construction for foreign representatives in Vietnam. The Construction Material and Technology Export-Import Corporation (of the Ministry of Building) joined the Alliance of World Construction Enterprises and the Hanoi General Corporation for Construction in a contract to construct two projects for the Soviet Union, a multi-sector center and project complex for the economic counselor of the Soviet Embassy in Vietnam.

The second form was travel to a foreign country to accept a construction contract. Forces were organized into an integral unit consisting of technical workers, directors and engineers responsible for all equipment, construction, machine installation, mechanization, electricity and water, etc. for each project item or for an entire project such as the construction contract that the Ministry of Building has and is fulfilling in foreign countries. This form will gradually become reality during the next few years with construction contracts for project item by item or an entire project such as cooperation with the Soviet Union in building a number of projects in the Far East.

Construction material exports have also increased. During 1984, the entire nation only exported 400 square meters of jadeite, 200 square meters of granite and 20,000 square meters of construction glass to other socialist countries. In 1986 a fair increase in these goods occurred. The Construction Material and Technology Export-Import Corporation exported goods in accordance with an agreement to realize 100 percent. Besides that, the corporation also exported 2,000 square meters of decorative tile and commissioned exports from Nghe Tinh Province with a volume 150 percent of the 1985 level.

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CSO: 4209/385

## HAIPHONG HARBOR MODERNIZATION DESCRIBED

Tselinograd FREUNDSCHAFT in German 2 Apr 87 p 3

[Unattributed article: "Achievements of Dock Workers"]

[Text] Hanoi--Accuracy and good organization--these characteristics are of crucial value today for work in the port of Haiphong, the most important gateway to the sea in northern Vietnam. It took a great deal of effort on the part of the Haiphong dock workers to earn the title of "best workers in the field."

For a long time, work performance in the port was unstable. Often enough, ships carrying goods to Haiphong from the Soviet Union and other socialist countries stood idle at dockside waiting to be unloaded. Technical modernization was one of the most important ways in which this problem was overcome. The port collective has done a lot to enlarge the docking facilities and to replace old equipment with modern machinery. The reorganization of work flow and management procedures play a major role in this.

Following a study of the working methods of the dock workers in the Soviet Far East, the dock workers of Haiphong quickly applied their progressive experiences in their own work, thereby speeding up their loading rate appreciably. An important factor bearing on this success is the socialist competition engaged in jointly by the Haiphong dock workers and the crews of ships from the socialist countries.

The results achieved by the port collective are very substantial. To be sure, the dock workers still have a number of problems left to solve. One of the primary ways in which they can be solved, the Haiphong dock workers believe, is to continue perfecting work and management procedures through greater autonomy in some areas, through the introduction of economic accountability and brigade contracts.

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CSO: 4620/25

## HANOI MOUNTS MAJOR CONSUMER GOODS PRODUCTION CAMPAIGN

Hanoi HANOI MOI in Vietnamese 24 Feb 87 p 3

[Article: "Accelerating Consumer Goods Production, a Major Economic Target, a Pressing Requirement of Hanoi"]

[Text] Consumer goods production is one of the three major programs set forth in the resolution of the 6th Party Congress. In the case of Hanoi, this major economic program not only has the purposes of meeting the rising needs of the municipality's people and contributing in practical ways to establishing balance between the supply of money and the supply of goods and stabilizing the socio-economic situation, but also the purpose of creating the conditions for carrying out the municipality's two important tasks: providing jobs and improving the living conditions of the people.

When talking about consumer goods, mention must be made of the municipality's small industry-handicraft sector, which is one of the important economic sectors and holds many potentials in this area. This year, clearly aware of the role and position of their sector in the economy and despite more than a few difficulties with supplies, raw materials, electricity, prices and so forth, Hanoi's handicraftsmen have agreed to produce products worth more than 2.447 billion dong (at 1982 fixed prices), or more than 80 percent of the value of the entire sector's total output. Efforts will focus on accelerating the production of those products in which Hanoi is strong, products for which there is a need and materials are available, such as textile and leather goods, ready-made clothing, bicycle parts, plastic goods, processed grain and food products, glassware, pottery and ceramicware, metal consumer goods, hand tools and improved implements for agriculture.

The experience gained in 1986 helped to teach the handicraftsmen of Hanoi good lessons about how to take the initiative in overcoming difficulties and how to organize and guide the development of production. By gradually revamping the management mechanism, establishing the production and business autonomy of basic economic units and shifting entirely to economic accounting and socialist business practices, the sector produced products worth more than 2.6 billion dong, 0.95 percent more than planned and a 17.5 percent increase in output compared to 1985, even though the state and customers only supplied 50.59 percent of the materials needed. More than 2.136 billion dong worth of consumer goods were produced, an 18.1 percent increase over 1985. Through

joint businesses and economic ties and by developing sources of materials on their own, handicraftsmen made use of 15,650 tons of raw and scrap materials of all types in production. As a result, the sector delivered to the state products and goods worth 1.89 billion dong, or 80.7 percent of the total volume of products.

Generally speaking, however, the rate of development of consumer goods production was slow last year and not commensurate with the potentials and strengths of an economic sector that has a tradition of producing consumer goods. Many common consumer goods continue to be scarce and the quality of many products was not improved. This situation has been due to many reasons. It is partly the result of the failure to improve or augment a number of economic policies in order to encourage the development of consumer goods production. However, it is mainly due to the facts that units and laborers have not changed their ways of thinking and working, still rely heavily upon state "subsidies" and have not fully displayed dynamism and creativity in developing existing consumer goods production forces and sources of raw materials within society for the production of consumer goods.

Now, to help meet the urgent need for consumer goods, we are encouraging the various production sectors and segments of the economy to consider making full use of all consumer goods production capacity by means of every available form of organization, every scale of production and every level of technological development to be the obligation and responsibility of each person. This is a major campaign in the socio-economic life of Hanoi, in general, and of the handicraft laborers of Hanoi, in particular. The requirements of this campaign are, in addition to successfully implementing the production plan assigned by the state either through planning or contracts, for each precinct, ward, district, city, subward and village, each product sector, basic production unit and laborer to make the greatest possible effort to develop each potential that lies in labor, technology, equipment, materials, capital and so forth and produce a wide variety of many more consumer goods of high quality.

Under the consumer goods program, if it is organized and guided well, if bold use is made of all production forces and segments of the economy and if policies and measures are adopted to protect those places and persons that operate correctly, we are confident that the municipality's small industry and handicraft sector will achieve production levels higher than the target set for 1987: producing 2.447 billion dong worth of consumer goods, using 18,000 tons of raw and scrap materials in production, training new handicraftsmen, improving the skills of handicraftsmen and providing jobs to 10,000 laborers.

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CSO: 4209/367



## NHAN DAN EDITORIAL CALLS FOR LIVESTOCK PRODUCERS INCENTIVES

Hanoi NHAN DAN in Vietnamese 21 Feb 87 pp 1, 4

[Editorial: "Putting More Livestock Products into the Daily Diet of the People"]

[Text] Over the past several years, livestock production has developed quite well. With each passing year, not only has the number of livestock being raised increased, but the weight of livestock and the quality of livestock products have also improved. These results have contributed to resolving the grain-food problem and have helped to gradually meet the consumer needs of the people better. The livestock production sector has made much progress in organizing production and developing the production of suitable species of livestock in each area of the country and within the different segments of the economy. Technical advances have been rapidly introduced in production and exports have begun to be produced. Through exports, imports are being used to obtain capital and materials with which to expand production.

Livestock production has developed but not in a manner commensurate with potentials. Although the output of livestock products has been increasing at the average annual rate of 5.7-14.35 percent and the portion of output controlled by the state has increased by more than 18 percent, the state still only controls slightly more than 30 percent of the products produced. As a result, the consumer needs of the non-agricultural sector are still not being met. There is still a shortage of meat, eggs and milk in the daily diet.

The potential for the development of livestock production is still quite large, particularly within the household sector. However, the development of this potential is not being fully encouraged. At many places, there are more than a few families that do not raise hogs. Good breeding and veterinary activities are not being conducted in order to create the conditions for intensifying livestock production, particularly in those areas that raise many subsidiary food crops, such as the mountains, the midlands, the Central Highlands and so forth. Efforts to improve the confirmation of buffalo and cattle have not been uniform or strong. Commercial crossbred hogs make up only about 40 percent of the total herd. The sources of feed for livestock, particularly for breeding herds and collective livestock production, are unstable. Only about 3.5 percent of grain output is allocated to livestock production. Many mixed feed processing plants do not receive a full supply of

raw materials. Many localities have limited the circulation and marketing of livestock products, buy these products at low prices or on credit...thereby posing an inconvenience to livestock producers and restricting the development of production.

The majority of livestock products, such as pork, beef, poultry and eggs, is produced by the people. State-operated and collective units only produce 5 to 10 percent of output. Therefore, attention must be given to this factor when organizing production. Policies must be adopted that encourage the various segments of the economy, encourage each social force to develop and make full use of feed sources in order to develop livestock production and rapidly increase product output in each area of the country.

Our country has areas and basic units that produce a large output of livestock products, such as hogs and ducks in the Red River and Mekong Deltas; dairy cattle in Moc Chau and Lam Dong; beef cattle in the central coastal region and the Central Highlands; chickens raised by industrial methods in the cities and industrial zones... But every place has the habit of raising one species of livestock or another in commercial quantities. Here, production must be organized in a way that is closely tied to the policies governing the circulation, distribution and marketing of products. We must correct the problem of some places having many backlogged products at a time when shortages of these products exist in the municipalities and industrial zones and among the people in many other areas.

Together with developing a diversified system of livestock production, one based on feed habits, it is necessary to rapidly zone livestock production nationwide, within each province and within each district. Every area and locality must define its strengths in terms of which species of livestock it can raise in order to plan the development of livestock production accordingly. Regardless of which species is being raised, attention must be given to natural and socio-economic conditions in order to effectively develop the potentials that lie in land and labor and produce many products to meet local needs and the common needs of the economy.

In the immediate future and for a long time to come, pork will continue to be the primary domestic consumer need, making up 70 percent of the total output of livestock and poultry production. Consequently, it is necessary to rapidly develop the hog herds in all three production sectors, the state-operated, collective and household sectors, and quickly increase the number and weight of hogs ready for market as well as improve product quality. We must successfully implement policies that provide incentive for livestock production and give priority to investments in material-technical bases, produce and supply breeding stock, feed, veterinary services and so forth well so that livestock producers have the assurance they need to develop production and achieve high economic efficiency.

Besides hogs and the major species of livestock, the development of the production of chickens, ducks and other species of poultry, which produce products quickly, must also be encouraged. Our country has more than 1,000 large and small rivers, 750 hectares of lakes and ponds and a few million hectares of wet rice fields. During each harvest season, 3-4 percent of paddy

output is dropped in fields. This is an abundant source of feed for ducks. Ducks and rice plants go hand in hand. Ducks can be raised wherever rice is raised. Raising chickens, ducks and so forth in the household garden or pond creates a constant source of food and increases the income of the household economy. At a time when difficulties continue to be encountered with grain, it is also necessary to make appropriate investments in developing the raising of the species of large livestock, which consume little grain, in order to quickly increase the supply of draft power and fertilizer for fields and produce additional products with which to meet domestic consumer needs.

Successfully implementing economic leverage policies and amending or revising policies that are no longer suitable will encourage units and families to develop production, thereby helping to implement the grain-food products program and to stabilize and gradually improve the standard of living.

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CSO: 4209/375

## INCENTIVES SUGGESTED TO BOOST CEMENT PRODUCTION

Hanoi NHAN DAN in Vietnamese 20 Feb 87 p 2

[Article by Xuan Thuy: "The Bim Son Cement Plant: Initial Changes and Some Suggestions"]

[Text] As it enters 1987, the Bim Son Cement Plant still faces many difficulties. But signs of change in the way it thinks and works are clear. Speaking about the production and business situation, Vu Cong, acting plant director, did not discuss the plant's difficulties with electricity, coal and transportation at great length as he had on previous occasions. Instead, he spoke mainly about overcoming these difficulties in order to move ahead. According to him, "the cement industry is affected by very many inter-sector relationships. The experience gained in managing production in recent years has taught us useful lessons. We have complained a lot but, most importantly, we have also gained an understanding of the common difficulties of the economy in order to help to correct the imbalance among the sectors."

The thoughts expressed by the plant director were based on the actual situation. In the final month of 1986, following a series of unexpected changes that directly affected production, the Bim Son Cement Plant, as a result of determining the causes of its problems and taking new measures, as a result of the spirit of emulation in labor to celebrate the party congress and with the effective assistance of Soviet specialists, set many new records in production. During that month, for the first time since two production lines were officially put into operation (1983), practically all elements of the production line operated with high efficiency for a period of time.

Cement output reached 70,230 tons. Some 76,000 tons of clinker were produced. Compared to the previous record output, which was achieved in December 1984 as a result of receiving a stable supply of materials and having a stable equipment base, cement output in December 1986 was 12,000 tons higher. Prior to then, the two furnaces never operated simultaneously for more than 10 days in a row. Recently, they were in simultaneous operation for 25 consecutive days. The previous record for the continuous use of fire-resistant bricks before they had to be replaced was 40 to 50 days. During this phase of production, the bricks lasted for 70 days. One long-standing concern of the plant--the difficulties with the cement grinding system--has now been resolved. Previously, it was rare for the two grinders to simultaneously be

in continuous operation for a period of many days. As a result, when the two furnaces were operating well, clinker had to be dumped in a pile outside the storehouse, thus causing a large waste in terms of transportation. Before embarking on December 1986, the plant, considering this to be a place where a breakthrough could be made, concentrated on guiding the grinding unit and repaired all three machines. On some days, all three machines were in operation. Although both furnaces operated continuously for many days, all clinker was still consumed. Efforts were made in the excavation and transportation of stone, in packaging and in loading operations to coordinate with the overall operation of the plant, thus creating a new strength for the plant in late 1986.

This year, from the lessons and experiences learned and gained in recent years, the plant has shifted its focus to guiding the effort to economize on materials in order to reduce production costs and increase cement output. The policy on bonuses for economizing on materials is being refined. However, the targets are clear: reducing the consumption of electricity from 210 kilowatt hours per ton of product to 200 kilowatt hours. As regards coal, the internal ceiling of the plant in 1986 was 5 kilograms per ton of product (because the coal was of poor quality). This ceiling has now been reduced to 3.5 kilograms. To overcome its largest difficulty, namely obtaining fire-resistant bricks, the plant has stipulated that the furnace unit use each batch of bricks for 75 to 80 days. In addition, a conference on innovations and technical improvements will be held to set the best furnace operating standards, using suitable coal injectors, prolonging the operating time of furnaces and researching the use of misshapen bricks in order to fully utilize the fire-resistant bricks now on hand in the construction of furnaces.

With the aim of supplying good products to construction projects, the plant has established a program to correct the problem of underweight bags of cement. It is attempting to stabilize the quality of P300 cement by the 3rd quarter in order to request the grade 1 state seal of quality.

The success achieved in the recent past has partly been due to the positive impact of wage rates and bonuses. This matter is also one of major importance. The plant was selected as the site of a pilot project in the implementation of Political Bureau Resolution 306 (draft). The functional agencies of the state and sector have calculated that if all current costs were to be correctly and fully included, the production cost of 1 ton of cement would be 2,600 dong and the average income of the worker should be 3,600 dong per month. This would be a 10-fold increase in wages compared to when across-the-board adjustments were made in the fields of prices, wages and money. If prices continue to rise, what method of calculating the wage subsidy would be needed to maintain the income of the laborer and encourage high labor productivity? The persons responsible for managing the plant have applied this accounting on a trial basis. Last December, the plant produced an additional 12,000 tons of cement. With a unit cost of 2,600 dong (which includes all costs), the cost of producing 12,000 tons would be 31.2 million dong. Were this additional product supplied to meet the needs of the people at a price of 20,000 dong per ton, the state would have earned 240 million dong. The profit after deducting production and circulation costs would have been roughly 200 million dong. Thus, if the interests of the laborer were

given consideration and the product was closely tied to wages, all three interests—the interests of the state, the unit and the laborer—would have been satisfied.

The agencies on the upper level and the related sectors also should, on the basis of the actual situation on the basic level, change the way they provide guidance and effectively assist the plant in solving the problems being encountered in production and business. One appropriate measure is for them to join with the plant in formulating a monthly output plan with an appropriate bonus paid for output over and above this plan so that the plant can improve the living conditions of its cadres and manual workers and provide incentives that closely tie the laborer to the product and encourage the laborer to emulate in producing more products for society.

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CSO: 4209/375

## HANOI WORKERS 'ENTHUSIASTICALLY' AWAIT INCENTIVE REGULATIONS

Hanoi HANOI MOI in Vietnamese 28 Feb 87 pp 1,4

[Article by Bui Ngoc: "Quickly Introducing the New Regulations in Everyday Life"]

[Text] Five days after the municipality issued the regulations and temporary regulations concerning a number of policies that provide incentive for the development of private production, the household economy and the service trades, we had an opportunity to visit a number of wards, districts, subwards, villages, private handicraftsmen and handicraft households in Hanoi and its suburbs. It can be said that new positions or policies of the party and municipality have never been so quickly, enthusiastically and confidently accepted as these regulations and a number of other policies promulgated on this occasion. The matters which these documents addressed are urgent matters raised by life. The aim of these documents is to open an avenue by which to perform the two central tasks of the municipality, providing jobs and improving living conditions, which are the burning issues of Hanoi today.

At practically all the places we visited, from Hang Dao, Hang Duong, Hang Ngang, Hang Bot, O Cho Dua and O Cau Den to the traditional trade villages, such as the ceramicware-pottery village of Bat Trang, the textile villages of Tan Ho and Tan Lao (Dan Phuong), the rattan and bamboo villages of Son Dong (Hoai Duc), Phung Xa, Thach Xa (Thach That) and so forth, there is a desire for the local administration to quickly disseminate and arrange for the study of these new positions and policies and take steps to quickly implement them. Everyone wants to obtain for their family a copy of the newspaper in which these regulations are printed. After work, along some streets and alleys and at a number of households, husbands and wives, children, brothers and sisters and neighbors have been talking about ways to earn a living, about opening new businesses in the trades, from tailoring-mending and repairing metal goods to making embroidery and lace and weaving wool. They confide: now, things are different. The municipality permits each citizen, including manual workers and civil servants now working as well as those who have retired, to develop production and work in the service trades. It no longer considers private producers and persons who work in the household economy to be persons who specialize in disrupting the market, to be "thorns in the side of the municipality's socialist economy." Now, persons who open businesses in the trades receive various kinds of preferential treatment, such as not having to

pay taxes during their first year of work, being allowed to include building rental in production costs, being allowed to use household electricity in production over and above the consumption ceiling without being penalized as previously, etc.

Families of manual workers and civil servants and other laborers in Hanoi and its suburbs want very much for the local administration to take many concrete and practical measures when implementing these regulations and promise to do everything they can to develop the household and street economy and gradually stabilize life to help bring about positive changes in the socio-economic situation within the locality.

Vu Ngoc Trung, vice chairman of the Hoan Kiem Ward People's Committee, showed us a copy of the specific proposal concerning private and household handicraftsmen sent by the ward party committee and people's committee to the municipality, many of the points in which have today been concretized in the regulations and temporary regulations of the Municipal People's Committee. He said: "Of course, strictly implementing these regulations, liberating production capacity and causing the private and household economies to develop in a diverse and rich manner are matters related to all services, departments, sectors and mass organizations from the municipal to the ward, district, subward and village levels, not just to one sector or locality. Because they are matters that are related to the everyday life of the people, we must act with the people as our base, must work closely with the basic level and listen to the opinions of the people."

During the past several years, particularly since 1986, in keeping with the resolution of the congress of delegates of the ward party organization, the ward party committee and people's committee have adopted many policies and measures encouraging the development of this sector of the economy. However, because the mechanism and policies of the party and municipality have been changed and improved slowly and are still largely characterized by bureaucratic centralism and state subsidies or because certain places and persons within the ward have not gained a thorough understanding of the resolution and have, either intentionally or unintentionally, posed a bother, caused stagnation and impeded and restricted production, campaigns have been launched but no action has resulted. Now, in order to be able to develop the potentials and strengths of the locality well and implement the consumer and export goods programs, the ward has been and is concentrating its efforts on implementing these new regulations of the municipality well by providing active guidance and assistance and adopting an appropriate management mechanism.

We visited the family of Nguyen Phan Binh at number 9 Hang Gai Street in Hoan Kiem Ward a few days after the new regulations of the municipality had been issued. He had just returned from signing a contract with a corporation in Hanoi for the sale of exported handicraft-art products and had not yet read about the regulations in the paper or heard the news on the radio. However, persons in Haiphong from Hanoi were talking at great length about the policies of the municipality encouraging private production, the household economy and the services. His family formerly lived in Nhi Khe Village in Thuong Tin District, Ha Son Binh Province, a village with the tradition of carving art



objects from wood, horns and ivory. Carrying on the occupation of his forefathers, Binh, while still a general school student, helped his father with a variety of jobs and, in the process, refined their handicraft-art products. The house in which Binh now resides is home to seven families, a total of nearly 50 persons (including the families of Binh's two sisters), practically all of whom participate in production. The adults shape wood on lathes and carve simple products. The children, elderly persons and housewives string beads of bone and wood together or polish products. Although Binh's private business license is for 1 primary laborer and although the state provides a reduced tax rate for 4 laborers, 25 persons actually work there. In 1986, the production unit in this house sold to state agencies wooden and horn handicraft-art products worth more than 936,000 dong (business revenues). Binh paid 172,373 dong in income and business taxes to the state. After deducting production costs, each primary laborer earned 4,000-5,000 dong per month (Binh, who obtains materials for production and repairs products, earned 8,000-10,000 dong per month). A number of families living in the same house who have several persons working during their idle hours also earned several thousand dong per month.

The Binh family (husband, wife and three children) "workshop" measures only 9 square meters. They also have a small attic in which they both live and work. On the day we visited him, Binh was repairing some sculpted wood products. In the households in the outer house and the inner house, simple, self-manufactured lathes are set up at various places and, at other places, children make strings of wooden beads.

Binh said to us:

--"Really, to private handicraftsmen and household producers such as we, nothing has lifted our spirits more or given us more confidence than the municipality's policies encouraging the development of production. However, it will not be easy to widely develop private handicraft and household production because the people of Hanoi have seen things 'be started but not finished' on more than a few previous occasions and have seen more than a few problems and obstacles arise when trying to develop production. As regards my private handicraftsmen and the household economy within this house, we suggest that consideration be given at an early date to establishing reasonable levels of income that are exempt from taxation, soon put into effect the lowest tax rate set forth in the preferential policy of the municipality and stabilize this rate (in 1986, some taxes were progressive). Moreover, we also ask that the product tax be waived for goods made from scrap materials and that the income tax be waived on income from export goods. For many years, we have encountered difficulties when selling goods to the state because we have not had accounts at the bank and have done all trade in cash. Some places that have wanted to buy products from us have not done so because they were unable to pay in cash. Therefore, we suggest that the bank soon help and make it convenient for basic units to open accounts."

At the home of Le Van Duc in Section 52, Ngo Thinh Hao 3 in Hang Bot Subward, Dong Da Ward, the atmosphere of productive labor among the handicraftsmen working there was such that we could not help but think of the many benefits to be derived from developing production at home. Duc's family includes three

primary laborers (Duc, his wife Nga and a grandson) and three secondary laborers, all the children of friends sent to learn the trade and work. This handicraft household makes shoes under contract for the Dien Bien Leather Cooperative. Duc makes the most difficult part of the shoe. Nga makes the top of the shoe. The younger ones sew the stitching, sew in the inner sole, etc. In 1986, his family made 2,000 pairs of leather shoes for the cooperative. In addition, with their remaining capacity and with materials obtained on the market, the family made an additional 1,000 pairs of shoes, which they sold at negotiated prices to the cooperative and to acquaintances.

When we saw 79 year old Vuong Dinh Luyen and his 14 year old grandson Vuong Thuy Lan sitting at their machines pressing individual pieces of wire into the parts of safety pins, we saw even more clearly the potentials that lie in the handicraftsmen of Hanoi and in making full use of their labor, technical skills, capital, materials and so forth in production. Working in a small apartment measuring less than 10 square meters and with nothing more than a few machines and several laborers, this handicraft household annually supplies to society hundreds of thousands of safety pins.

Here, they also wind wire for bicycle tires from wire taken from discarded old automobile tires. They supply this product to basic units that make bicycle tires and tires for horse-drawn carts of handicraftsmen within the ward. With some laborers participating in this production during their idle hours, this family could earn a considerable amount of additional income on which to live.

In our conversations with these families, the first thing they asked was when the temporary regulations of the Municipal People's Committee will become reality and be made a part of everyday life. While they are not expressing skepticism or doubt, we all know that more than a few policies of the party and state have remained on paper or been implemented in a different way at each different place without being supervised or inspected by responsible agencies. They are excited about the new policies but are still waiting.

We cannot yet answer this question, only reiterate the last article in the regulations: "The services, departments and sectors of the municipality and the people's committees of the wards, districts, subwards and villages have the responsibility of managing and creating favorable conditions for the development of private production, the household economy and the service trades. Persons who contribute to the development of production and the services will be rewarded. Appropriate action must be taken against persons who violate these regulations and pose obstacles to production and the services." We are confident that, once laborers have work to perform at home and are earning a good, honest income, not only will society have more material well, but there will also be a significant decrease in negative phenomena, thus making our socio-economic life more wholesome.

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## BINH TRI THIEN 1987 RESETTLEMENT FIGURES FORECAST

Hanoi NHAN DAN in Vietnamese 15 Mar 87 p 1

[Unattributed article: "Binh Tri Thien Transfers 25,000 People To Construct New Economic Zones"]

[Text] During 1987, Binh Tri Thien is striving to transfer 25,000 people to construct new economic zones, a 2 percent increase over 1986. To create conditions for 13,000 people to depart for new economic zones in the central highlands and southern Nam Bo, the province is applying the experience of Huong Dien District in first sending young laborers to clear land, establish gardens, build water conservancy projects, clear and create farmland, etc. Due to good local preparations, the people upon arrival are able to promptly stabilize their lodging and to immediately begin production.

In departures from the province and districts to build new economic zones, Binh Tri Thien Province is also applying the experiences of "a hilly field home," "foot of the hill, foot of the field," and "use the field to nurture the hill and the hill to nurture the field," and is extracting funds from the district, village and cooperative budgets to assist the people leaving to build new economic zones. By these methods, Binh Tri Thien is striving to resettle 12,000 people on the sloping, hilly and marshy land of the province.

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## LOCAL SOURCES ADD TO AVAILABLE GRAIN SUPPLY

Hanoi HANOI MOI in Vietnamese 28 Feb 87 p 3

[Article: "New Practices Adopted in Grain Business"]

[Text] In the effort to control sources of products through procurements, the Hoan Kiem Ward Grain Corporation has attached importance to both bringing in products from elsewhere and developing local sources. Of these two approaches, procurements from local sources (which include procurements on the market within the municipality and buying products back from the people) make up a significant percentage of its total procurements and have helped it to expand its business and control the market.

To establish sources of products in order to meet the needs of consumers, of agencies and enterprises, the corporation has boldly adopted a new way of doing business. Last year, the grain stores in the 18 subwards, which were previously only distributors, opened counters to buy rice back from the people at negotiated prices with immediate payment in cash. As an incentive to state store personnel, the corporation instituted a bonus of 2 dong for every 1 quintal of rice they buy back. On the average, each store procured an additional 10 tons of rice each month by this method last year. Besides this network, the corporation has opened a store that does business in various grain products at commercial business prices. This store consists of eight counters located at communication hubs and the Hang Be and Bac Qua Markets. At these counters, sales persons procure grain brought in from other places and put it on sale at retail prices as soon as it is weighed. Data on procurements show that the quantity of grain procured by this method steadily increased, from 50 tons per month at the start of the year to 180 tons per month during the final months of the year. The counter at the Bac Qua Market has both a storehouse and a retail counter. At the counter, all samples on display are products that are available for sale. As regards rice, this counter in the middle of the market offers many types for sale: non-glutinous rice of all types (tasty, medium length), golden glutinous rice, Tham fragrant rice... The rice prices of the counter are always slightly lower than market prices. However, what attracts customers is that the counter's rice is of very good quality, not starchy, and customers are not shorted when they purchase rice. The eight counters that sell rice at business prices always have rice to sell plus 10 to 12 processed products, such as noodles, rice paper, vermicelli, powdered infant formula...

Last year, by this method, the corporation procured more than 1,136 tons of grain. This amount, plus grain obtained by the corporation itself from other sources, brought the total quantity of grain sold at business prices to more than 2,207 tons.

The business activities of the corporation clearly reflect its view of serving its customers. Under this year's plan, the corporation will increase the amount of grain sold commercially to 2,230 tons, more than double its plan for last year.

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## ESSENTIAL OIL PRODUCTION GRADUALLY RESTORED

Hanoi NHAN DAN in Vietnamese 4 Mar 87 p 2

[Article by Thinh Giang: "Reasonable Investment for Essential Oil Products"]

[Text] Essential oil products distilled from spice plants in our country are fairly abundant. Essential oils from elsholtzia, peppermint, cinnamon, anise, cajeput and lemon grass, and especially citronella oil, are export products of high value and can be developed and produced at a rapid rate.

With favorable natural conditions and no large investment requirements, citronella can be adapted to regions with altitudes from 300 to 600 meters, and regions of exhausted soil. During previous years, our country established large concentrated regions for growing citronella in the provinces of Ha Tuyen, Bac Thai, Hoang Lien Son, Binh Tri Thien, Song Be and Gia Lai-Kon Tum. Moreover, many state farms and a number of cooperatives have organized the cultivation and distillation of citronella oil. During 1979, the output of citronella oil was fairly large. In subsequent years however, this product rapidly declined. Oil output during 1985 was only about 40 percent of 1979. What caused the decline in this product?

First of all in examining the economic return, a hectare of citronella is capable of providing 110 kilograms of oil which through exports and imports can return nearly 4 tons of rice. Meanwhile, the previous stipulated procurement price was inconsistent even though sold in exchange for 10 kilograms of rice. Thus, in production effectiveness, the oil returned high economic benefits but the procurement price was too low for the laborer to compensate for production expenses.

Citronella raw material regions have always been formed in the highland provinces and regions of exhausted land and because no investment was made in intensive cultivation, yields were usually low. During the past few years, due to difficulties in grain and essential oil procurement policies that failed to encourage the producer, a number of locations did away with their essential oil raw material cultivation areas to raise grain crops. Due to insufficient raw materials, many distilleries had to cease or slow down production, leading to the decline in output.

In the distillation of essential oils in a number of raw material regions, the equipment has not been renewed for many years and the distillation rate is low, leading to high production costs, while inconsistent procurement prices fail to compensate for expenses or to provide a profit for the producer.

Aimed at alleviating the difficulties above, the General Export-Import Corporation (of the Ministry of Foreign Trade) has been assigned the essential oil product business mission. The corporation has renovated the procurement formula to closely connect it with production, has invested in construction of raw material regions, and is gradually restoring the product. To put the essential oil producer at ease and to stabilize production, the corporation has signed long-term contracts with local areas for the supply of materials for production and for product procurement. Besides regulating suitable procurement prices for each period, additional consumer goods and grain are reserved to assist in stabilizing the lives of those engaged in producing export essential oil goods. During 1986, 1,500 tons of rice were delivered to regions specializing in the raising of citronella in Ha Tuyen Province, and additional investment was made to restore and develop essential oil production regions in the districts of Chiem Hoa, Ham Yen and Na Hang. Also along this course, the corporation joined local areas to gradually restore essential oil production regions in Vinh Yen City of Vinh Phu Province and Bac Son State Farm in Bac Thai Province, and to build concentrated heavy-output essential oil production regions in the provinces of Son La and Binh Tri Thien.

The distillation systems of local areas demand replacement. Initially, General Export-Import Corporation 1 has invested in technology to assist local areas with a number of new distillation implements with a high essential oil recovery. At the same time, high-yield varieties of citronella are gradually replacing the local worn out varieties. Thanks to a fair increase in investment, essential oil products are being restored and expanded. A number of localities such as Ha Tuyen and Bac Thai have created fairly large sources of essential oil goods and are capable of developing at a rapid rate in the years to come.

The situation above shows that essential oils are a product with possibilities for production development and expansion. To develop the capabilities of local areas, it is necessary to closely connect business with production, to formulate a rational and prompt investment plan for the production region, to stabilize the lives of those engaged in essential oil production, and to ensure that they have enough to compensate for their production expenses and to earn a profit.

At the present time, essential oil production regions should only be established at a scale of 100 to 200 hectares for state-operated units; and 50 to 100 hectares for collective economy units. At the same time, family economy essential oil production must be developed. Firm incentive policies and product procurement contracts are necessary to put the producer at ease.

Spice and essential oil crops are presently concentrated primarily in the midlands and highlands. These are locations with many difficulties in communications and transportation, and in the interchange of goods. Besides

investment in production and assistance in grain, local areas and production units may be allowed to use a portion of their product in excess of planned levels in an export contract form to acquire foreign exchange for importing material, technology and essential consumer goods to assist in improving the lives of the people in these regions.

Besides the high-proportion citronella oil product, it is necessary to expand production of other essential oils such as the elsholtzia oil products of high export value. With investment and production incentive policies, export essential oil products can be rapidly increased.

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## MORE SMALL, MEDIUM HYDROELECTRIC PLANTS URGED

Hanoi NHAN DAN in Vietnamese 4 Mar 87 pp 1, 4

[Editorial: "Raising Use Efficiency of Medium, Small Hydroelectric Projects"]

[Text] During the past 5 years, local areas and energy, water conservancy, machine and metallurgy sectors along with many troop units have invested in the technology, machinery and equipment to develop medium and small-scale hydroelectricity; restoring and newly constructing more than 200 stations with an average capacity of 200 kilowatts and up. The total installed capacity of medium and small-scale hydroelectricity throughout the nation has reached 25 megawatts, double that of the period of medium and small-scale hydroelectricity during the period from 1960 to 1980. Worthy of attention is that many of the stations have been constructed with domestically manufactured equipment and funds collected following the guideline of: "The state and the people, the central and the local area, and the provinces, districts, villages and cooperatives working together in hydroelectricity." Nearly all the highland provinces, locations with easily exploitable waterpower sources, have organized construction of medium and small-scale hydroelectric stations, symbolized by the provinces of Quang Nam-Da Nang, Cao Bang, Ha Tuyen, Hoang Lien Son, Ha Son Binh, Quang Ninh, etc.

Medium and small-scale hydroelectric stations have developed their role to supply energy in support of production and the lives of the people. However, use efficiency is not yet high; and the position of medium and small-scale hydroelectricity has not yet been truly defined. Water source projection as well as assignment and decentralization of responsibility to sectors for supplying material, manufacturing equipment, organizing installation and providing machine operation and technical guidance are still not clear with everyone for himself. Some stations have had installation completed but cannot be placed in use due to shortages of auxiliary equipment and wire. In many locations, when a machine breaks down, the user does not know what "doors to knock on" to purchase repair parts. Meanwhile, many machine facilities are worried only about manufacturing new equipment with no concern for making repair parts. Some locations give concern to purchasing equipment and building new hydroelectric stations but no attention to maintaining and repairing broken down turbines.

First of all and over the long run, even since construction of the large hydroelectric plants such as Hoa Binh and Tri An was completed, the use of resident sources of water to produce electricity in support of production and daily life in locations far from the national electric power network continues to be extremely important. Consequently, along with promoting construction of new hydroelectric projects, wholehearted emphasis must be given to production of spare parts, medium and large-scale repair and periodic equipment maintenance.

To raise the use efficiency of hydroelectric projects, attention must be given to water source management, closely connecting medium and small-scale hydroelectric stations with water conservancy work in locations where conditions exist, and actively and comprehensively exploiting water sources to develop the public economy in close connection with management of forest, aquatic products and the environment.

The entire nation presently has 24 factories and enterprises specializing in the production of electrical equipment in various sectors and local areas. These facilities must have effective support in production reorganization, and assignment and decentralization in the manufacture of equipment and production of spare parts and electrical implements. Medium and small hydroelectric stations achieve only 50 percent of design capacity, but only need a few additional pieces of automated equipment such as speed regulators, safety protection and replacement parts to increase use efficiency by 20 to 30 percent.

The energy sector, along with the water conservancy and machinery and metallurgy sectors, army units and local areas, with a spirit of work procedure renovation, must strive to formulate medium and small hydroelectric equipment manufacture plans in accordance with size and capacity, and to determine standard turbine models aimed at creating favorable conditions for the manufacture of equipment, production of spare parts and installation and operation of good quality hydroelectric turbines with a high safety coefficient. Production facilities of the energy sector in particular must give attention to studying and applying technical advances to the manufacture of electrical insulators, fuses, and parts and accessories for power lines and transformer stations of 35 kilovolts and below, especially equipment and accessories for the installation of medium and small hydroelectric stations. Based on the present number of hydroelectric stations in each region and population complex, association must be organized to form the electric power network of each area for the best use of electricity sources.

Increasing the use efficiency of present projects while simultaneously developing the medium and small hydroelectric network consistent with domestically created capital sources and material and equipment capabilities assist in achieving the position of "energy a step ahead," and directly support the three major economic programs set forth by the Sixth Party Congress.

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## MORE ENCOURAGEMENT SOUGHT IN BUFFALO, CATTLE RAISING

Hanoi NHAN DAN in Vietnamese 13 Mar 87 pp 1, 4

[Editorial: "Expand Circulation, Encourage the Producer, Introduce Technical Advances To Rapidly Increase Buffalo, Cattle Herds"]

[Text] During the past few years, thanks to good achievement of a production incentive policy, significant progress has been made in buffalo and cattle raising. During 1986, although not reaching planned levels, the buffalo herd increased by 2.9 percent and the cattle herd by 7.1 percent over 1985. Stock raising in all regions of the country and economic elements, especially the family area, developed. The introduction of technical advances to improve the buffalo and cattle herd was expanded in more than 20 provinces and cities. A total of 70,000 crossbred calves have been produced, assisting to raise the quality of the cattle herd in our country. Nevertheless, the rate of increase in the domestic animal herd is still not high. The buffalo herd is increasing slowly with declines occurring in a number of locations such as the midlands and the Red River Delta. A number of basic production units with poor organization of the contract system have allowed many draft buffaloes and cattle to die. A serious shortage of draft power exists with each buffalo forced to plow and harrow an average of more than 3 cultivated hectares and in some places 3 and 4 hectares. Because a number of regions like the central highlands and along the central coast still have many pastures but no rational population distribution, lack breeder animals, have not yet properly implemented a circulation policy, etc., the buffalo and cattle herd has not yet developed on a par with potential.

Aimed at strongly developing the buffalo and cattle herd, each region must, based on its own natural and socioeconomic conditions, set a specific stock raising course. The highlands, midlands and coastal areas are favored with pastures and natural feed sources and must therefore strongly develop the raising of buffaloes and cattle for breeding, meat and draft power. The lowlands must coordinate the raising of buffaloes and cattle for draft power with breeding, advancing toward self-solution of the draft power problem and to further increase the sources of meat and milk. The buffalo and dairy cow herds must be maintained and developed in concentrated stock raising regions, and on the outskirts of large cities and industrial areas.

Buffaloes and cattle have a low birth rate compared with other domestic animals with a average of one offspring every 2 years and a period of a few years before being used for draft power. Therefore, attention must be given to strongly developing the raising of breeder animals in order to expand the size of the domestic animal herd. Breeder and draft power buffaloes and cattle managed in the collective and family economy areas comprise a fairly large proportion of the total herd. Good stock raising development in these two areas is a decisive factor in swiftly increasing the quantity and quality of the domestic animal herd. In conjunction with the application of technical advances, it is necessary to establish a rational domestic animal herd structure with efforts by 1990 to raise the proportion of the female animal herd to about 40 percent in buffaloes and 34 percent in cattle, and one good breeder bull per 25 to 30 females. Along with nurturing the purebred foreign breed herd, attention must be given to a suitable investment in capital, material and technology, proper organization of breeding, swiftly improving the domestic herd and gradually raising the quality of the domestic animal herd.

Strong development of the buffalo and cattle herd in every region of the nation and in all economic elements is an important and urgent mission. It demands a renovation in realization, and in management, technical and policy organization. Regions, basic production units and families must all expand the raising of buffaloes and cattle in a suitable organization form, to successfully exploit the individual strengths of each region and local area in raising various kinds of domestic animals. At the same time, through joint enterprise and association between the highlands and lowlands, and between the state-operated, collective and family areas, implement the most effective method of developing the domestic animal herd. In cooperatives and production collectives, it is necessary to rapidly perfect the contract stock raising system, especially the raising of buffaloes and cattle that belong to the collective. Stipulate systemization of reasonable calf prices and do not allow the raiser to suffer losses. Depreciate buffaloes and cattle and establish a draft animal fund in order to have draft reproduction capital. In a number of regions, the raising of buffaloes and cattle has been of a commodity production nature. Further expand buffalo and cattle circulation even within troublesome procedures, and create favorable conditions for buffaloes and cattle to be easily transferred. Eliminate the incorrect viewpoint that draft buffaloes and cattle are production materials because as such, they cannot be freely circulated between stock raisers and consumers. Commodity production incentive in stock raising must be considered as an important lever in stimulating stock raising development.

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## BRIEFS

OIL PRODUCTION INCREASE--Recently in Vung Tau-Con Dao, the Joint Vietnamese-Soviet Petroleum Council held its eighth meeting. Participating for the Soviet side was a delegation from the Ministry of Gas Industry headed by Comrade Sidorenko, Member of the Soviet Central Steering Committee and Chief of the General Department of Petroleum Processing of the Ministry of Gas Industry. The Vietnamese delegation was led by Nguyen Hoa, Member of the Party Central Committee and Chief of the Vietnamese Oil and Natural Gas General Department. The two sides reviewed and evaluated achievements and shortcomings in the 1986 plan, approved the basic norms for the 1987 plan, and decided effective methods aimed at increasing oil production by seven times over 1986, accelerating the rate of sea and shore project construction, and increasing the amount of survey work to swiftly increase oil output this year and the years to follow. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Feb 87 p 1] 7300

EXPORTS TO CZECHOSLOVAKIA--For the past several years, Ho Chi Minh City has accounted for 50 percent of the total output value of goods exported by Vietnam to Czechoslovakia, including many products earning customer confidence such as shirts, athletic shoe tongues, etc. In the field of electronic assembly alone, cooperation between Czechoslovakia and the city has steadily developed and the exchange value of these goods annually reaches 10 million rubles. The Federation of Small Industry and Handicrafts and the Exposition Corporation of Ho Chi Minh City and the sister city of Bratislava have established cooperative relations and mutually assisted each other in development. In the 5-year (1986-1990) plan, besides a number of hydroelectric projects, vehicle repair enterprises will be constructed with the assistance of the Czechoslovakia. Czechoslovakia and Vietnam will also expand cooperation in the raising and processing of rubber. These were the major features in the economic cooperation between the two countries and the two cities of Ho Chi Minh and Bratislava that were presented by Gian Giondorow, Consul General of the Czechoslovak Socialist Republic at a press conference on the 39th anniversary of the victory by the Czechoslovak laboring people over the bourgeoisie class. [Article by T. TH.] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 25 Feb 87 p 1] 7300

ROAD, BRIDGE CONSTRUCTION--Cu Chi District is presently building the Rach Kenh, Bau Dai, Rach Ke and Cay Diep Bridges with a total investment value of 5 million dong. Cu Chi previously completed the construction of Den Bridge on

Route 5 in Binh My Village, Duc Lap Bridge in Nhuan Duc Village, Bau Dai Bridge in Phuoc Vinh An Village, and Thay Chua Diep Culvert in An Phu Village, and upgraded the 5 kilometers of road from Bau Dung to Ho Bo. Following the request of the people, Cu Chi recently gave special attention to repair and construction of intervillage and internal routes of communications following the guideline of the "state and the people working together." The district is planning to upgrade 37.5 kilometers of intervillage roads between Phuoc Vinh An, Bau Hung Loi and Tan Phu Trung. [Article by M.V.] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 25 Feb 87 p 1] 7300

CASH SHORTAGE IMPEDES PRODUCTION--The cash shortage is causing extremely great difficulties for basic small industry and handicraft units in the city. Many have been unable to withdraw money from the bank and therefore cannot buy material supplies or pay the wages of cooperative members and laborers, and production has stagnated. Faced with this situation, many basic production units have instituted a number of temporary measures aimed at efforts to maintain production and ensure employment for the laborers. In a conference of 10th Precinct industrial and small industry and handicraft customers, attendees agreed after discussion on the application of a fixed cash rate for basic production units; and on investing in additional technical equipment aimed at raising commodity quality and developing new products and additional goods for export. In the 11th Precinct, the Quyet Thang Aluminum Cooperative, unable to withdraw cash from the bank to buy raw materials, has looked for additional customers with raw materials to implement consignment contracts aimed at ensuring an living income for the cooperative members. Customers with scrap aluminum can also come to the cooperative to exchange it for products. Thanks to this method, the cooperative has maintained production, each day producing 1 ton of aluminum products for family use. [Article by P.V.] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 26 Feb 87 p 1] 7300

IMPROPERLY ALLOCATED LAND--A recent inspection of land use and management within the city indicated that more than 960 hectares are being used contrary to policy. Most worthy of attention is that a number of localities and agencies have taken agricultural production land for use in non-production objectives. This is not counting the troop and public security quarters still occupying much land area. Due to this improper occupation of land, farmland in a number of precincts and districts has declined, by 87.7 hectares in Cu Chi and 81.3 hectares in Hoc Mon. Besides that, because administrative echelons in a number of locations or agencies and units have not fully complied with state regulations on land use and management, and on land assignment authority, land has been arbitrarily allocated in accordance with individual favoritism or with improper motives, some locations even letting out land and collecting rent. The municipal inspection sector has proposed that authority be granted to determinedly recover the arbitrarily allocated land. [Article by Thanh Binh] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Feb 87 p 2] 7300

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