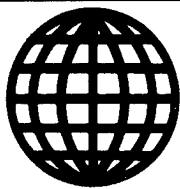


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Southeast Asia

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MP Downplays Sarwo Edhie's Departure From Parliament

42130122e Jakarta *PELITA* in Indonesian
21 Apr 88 p 12

[Text] Banjarmasin, *PELITA*—Anang Adenansi, member of DPR [Parliament] Commission I, feels there should not be overreaction to the resignation of Sarwo Edhie, former chairman of BP-7 [Pancasila Indoctrination Board], from the DPR.

“His position is fully his own personal prerogative, and it does not need to be dramatized or, especially, connected with matters that could hurt national interests,” he told ANTARA in Banjarmasin on Tuesday [19 April].

Anang, who is also chairman of the Department of Information and Mass Media of the GOLKAR DPP [Central Executive Board], admitted it is natural for a person to be surprised at the resignation from the DPR of Sarwo Edhie, who in 1965 was commandant of the RPKAD [Army Para Commando Regiment] when the New Order arose and the G-30-S [30 September Movement] was eliminated.

People are surprised, because Sarwo Edhie is a prominent New Order warrior whose dedication and loyalty to the nation and state need not be questioned, he said.

“But we should view his resignation as merely proper, because we are convinced he thought thoroughly and wisely about what he was doing,” Anang said.

He added, “It is certain that he felt his choice was the best. The important thing is not to interpret it in some strange way, particularly in a way that could have negative consequences.”

Anang Adenansi, who said he had served with Sarwo Edhie on Commission B (non-GBHN [Broad Outline of State Policy]) in the 1988 MPR [People's Consultative Congress] General Assembly, stated that Sarwo Edhie had followed the MPR sessions very diligently.

According to Anang, a resignation at a person's own request, like Sarwo Edhie's, was the first to occur since the 1971 general elections. “This was the first occurrence. That's probably the reason it's considered unusual,” he added.

The usual thing is for people to fight to get in, he said with a smile.

“We should merely emulate his wisdom. I am confident a prominent figure like Sarwo Edhie will continue to contribute his strength and ideas to the interests of the nation and the state wherever he may be,” said Anang.

6942

Anti-Golkar Dissociation in DPR, MPR Profiled

42130106a Jakarta *TEMPO* in Indonesian
12 Mar 88 p 12

[Text] Relations between the Golkar [Functional Group Party] Faction and the ABRI [Armed Forces] Faction seem hard to figure out. In guiding the GBHN [Outline on the Course of the Nation] proposal through the General Assembly of the MPR [People's Consultative Assembly], the two seemed to be very close together. However in other areas, it is not always like that. Take for example the issue of nominating the vice president, where the ABRI Faction supported the candidate of the Golkar Faction, but didn't nominate him themselves as they did for the presidential nomination.

This matter was felt even more during the discussion of the soldiership bill [RUU Prajurit] early last month. The greatest difference in opinion in fact occurred between these two factions, to the point where the other factions were just left to be observers outside the arena. The faction that is known for keeping quiet also sometimes has some surprises. For example at the beginning of last month they stated that certain individuals in Jakarta were lotting land in Irian Jaya.

This statement was put forward by Major General Samsudin, member of the ABRI Faction who served 5 years in Irian Jaya as the chief of staff [Kasdam] of Military Region XVII/Cenderawasih. In a meeting between the DPR's [House of Representatives] Commission II and State Minister for the Efficient Utilization of the State Apparatus, Saleh Afiff, Samsudin explained that the problem has already been reported to the Public Order Operation [Opstib]. But, through this form Samsudin wanted to inform the minister for the Efficient Utilization of the State Apparatus, as he is chairman of the Committee to Control National Lands.

What makes this more interesting is that the action of the red bereted major general is apparently supported by his superiors. When he was asked for his comment on the matter, General L.B. Moerdani, who at that time was still commander of ABRI, said “If the statement originated in the DPR, it must be true.”

This is certainly not the first time the ABRI Faction has spoken up. Two years ago the faction with offices on the eighth floor of the DPR building focused on the seriousness of the land problem and the lack of leaders who could be held up as examples. At that time the ABRI Faction considered that there was much manipulation going on in the area of land and real estate. For example, manipulation of permits. The land of the people was taken; “the permits said the land was for the public interest, and it turned out that it was only for real estate projects,” said H. Sumrahadi Partohadisaputro, spokesperson for the ABRI Faction at that time.

A year before they brought up the issue of land as a critical problem, the ABRI Faction focused on the weakness in coordination between government agencies. At that time the ABRI Faction considered that the increase in the unused portion of the development budget [Siap] was an indicator of weakness in coordination.

The origin of this wave of criticism from the faction which had been known for its silence certainly has its cause. Among other things, it is because of a change of view by ABRI leaders about the legislative function as a part of ABRI's duties.

Formerly, appointing an officer for duty in the DPR was considered to be subtle way of deactivating him. But in the last few years, duty in the legislative institutions has come to be considered to be part of the career ladder. It is a place to prove one's ability in the social-political field, the other part of dual functions of the Armed forces [dwifungsi].

This change has begun to be apparent with the seriousness ABRI is preparing its members for the DPR or even the Regional Legislative Councils [DPRDs]. At first only in Jakarta was there a course for legislative nominees, but in the last 2 years similar courses have become available in the regions. And those who are allowed to take the course have to be selected through several tests.

That is the reason officers who are assigned to the faction of 100 members are usually those who have territorial command experience. This is because this kind of experience is considered to most resemble the duties of being a representative of the people. "In the battle [function] it is how to destroy the enemy, isn't it, while in territorial command it is how to obtain the sympathy of the populace," said a military regional commander with much battle experience.

Maybe it is because the quality of ABRI Faction members has changed that its behavior has also changed. "Wow, the younger ones really are different; they are skillful speakers and can get on top of the problems," said a leader of the Golkar Faction. That means they are more prepared to debate their colleagues from the other factions, and they don't just wait for instructions from their commanders.

There is also proof that legislative experience is not worthless. Take the example of Major General Saiful Sulun, who has now become one of the vice chairmen of the MPR. His duty in the DPR, when he was amid-level officer, turned out not to be an obstacle to being made commander of Military Region V Brawijaya.

Another factor that has caused ABRI to speak up is maybe because circumstances have also changed. Because in the doctrine of the Armed forces, the chief duty of ABRI is to protect Pancasila and the 1945

Constitution. And now with the institution of the sole principle [asas tunggal], ABRI can feel more confident in the stability that exists, so that it can play a more dynamic role.

"Nowadays, there isn't any stomping on people to resolve a problem like 20 years ago," said Major General Soebiyakto, a member of the ABRI faction who is also governor of the National Defense Institute. At that time stomping was needed because there were still elements of the Old Order. "Now there isn't even giving someone the eye, much less stomping them down," he said while laughing.

So, if there is a program that becomes material for debate, each faction has the right to state its opinion. And this means that there is an open opportunity for differences of opinion among factions. Including, for example, between the Golkar Faction and other factions, and sometimes with the ABRI Faction. This isn't anything strange. It is a sign that democracy is more alive.

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Biographic Items on Military Leaders

Maj Gen Zaini Azhari Maulani, KODAM VI/Tanjungpura Commander

*42130125d Surabaya SURABAYA POST in Indonesian
30 Mar 88 p 4*

[Text] On 17 March, Major General Zaini Azhari Maulani, nicknamed "Pak ["Father," informal title of respect] Zen," officially became commander of KODAM [Military Region Command] VI/Tanjungpura at the oil city of Balikpapan, replacing Major General Feisal Tanjung, who has received a new assignment as commander of the ABRI SESKO [Staff and Command School].

Pak Zen becomes the second PANGDAM [commander of military region] VI since the formation of KODAM VI/Tanjungpura, which encompasses South Kalimantan, East Kalimantan, Central Kalimantan, and West Kalimantan.

Pak Zen was born in January, 49 years ago, at Marabahan, capital of Barito Kuala Regency (South Kalimantan).

Marabahan is known as the birthplace of many national leaders, including K.H. Hasan Basri, general chairman of the Indonesian Muslim Scholars Council (MUI). After completing his SR [elementary school] and SMP [junior high school] education, in 1956 young Zen continued his schooling at State SMA [high school] I in Banjarmasin.

Young Zen's outstanding intellect became evident while he was at SMA, enabling him to take part for 1 year in the American Field Service, an Indonesian-U.S. cooperative program. In 1959, after the AFS, he was accepted to

continue his schooling immediately at the National Military Academy (AMN) at Magelang. As an AMN graduate, he was later entrusted with the post of military attache in London for 3 years.

Returning to Indonesia with the rank of colonel (infantry), Zen was further entrusted with the position of KASDAM [chief of staff of military command] XIV/Hasanuddin at Ujung Pandang. He later became deputy ASOP [assistant for operations] to KASAD [Army chief of staff] with the rank of brigadier general. Owing to his performance, he was made KASAD assistant for operations with the rank of major general, a post he held until his appointment as PANGDAM VI/Tanjungpura.

He is the oldest of the 11 children, of whom 9 are still living, of H. Ahmad Maulani, who resides in Surabaya, the city of heroes.

Among his brothers and sisters are Dr Hasan Maulani, now serving in Mataram (NTB [West Nusa Tenggara]), several who remain in Banjarmasin, and Mrs Roosmiati Maulani, widow of PELITA reporter H. Thaberani Adyanis, BA, and resident of Jakarta.

He is married to Ratna Intan, of Magelang, and has 6 children. The oldest, M. Haryogie Idris, is an architect and is married. Olly is still studying at the medical faculty of Trisakti University. Ida is majoring in interior design, and Hakim, Vivie, and Sisi are still in SMA in Jakarta.

Brig Gen Soekarno, Deputy Attorney General for Intelligence

42130125d Jakarta *SUARA PEMBARUAN* in Indonesian 25 Apr 88 p 1

[Excerpt] Jakarta, 25 Apr—Attorney General Sukarton Marmosudjono on Monday morning [25 April] inaugurated Brigadier General Soekarno as deputy attorney general for intelligence affairs, replacing Nugroho, who is now secretary-general of the Department of Home Affairs.

Brig Gen Soekarno was born at Lanjan Village, Sumowono Subdistrict, Ambarawa Regency, Semarang, on 1 September 1941. He served in the Red Beret Corps (RPKAD [Army Para Commando Regiment]) from 1964 to 1973. He began his career in intelligence in 1970, and in 1973 he was assigned to intelligence at ABRI MABES [Headquarters]. He held the post of commander of the ABRI Intelligence Training Center (1980-1985), and since 1984 has been ASPRI [personal assistant] to PANGKOPKAMTIB [commander of the Command for Restoration of Security and Order].

MP, Banker Views on Foreign Debt Reported

42130125b Jakarta *PELITA* in Indonesian 2 May 88 pp 1, 6

[Text] Jakarta, PELITA—Foreign loans must now be directed clearly toward the nonoil sector, for the only key to reduce the DSR (debt service ratio) is to stimulate the export sector, especially nonoil commodities. Nevertheless, it is inappropriate to use the high DSR as a basis for saying, "Indonesia is cornered."

This is a summary of opinions gathered by PELITA in interviews with Hamzah Haz, deputy chairman of the APBN [State Budget] Commission of the DPR [Parliament], and I. Nyoman Moena, general chairman of PERBANAS (National Private Banking Association), on Indonesia's foreign debt burden, which the chairman of the IGGI [Intergovernmental Group on Indonesia] has evaluated as quite large.

According to Hamzah Haz, foreign loans must be clearly able to stimulate the nonoil sector directly, so that we will not have further trouble repaying those loans and will be able to improve the DSR.

"What is apparently causing concern is the fact that foreign loans in the past did not touch the nonoil sector, which is reflected in the difficulty we are having in repaying those loans. Loans like those of the past that were not oriented directly to productivity in the nonoil sector should be stopped," Hamzah said.

Nyoman said it is inappropriate to use the amount of current indebtedness vis-a-vis foreign exchange earnings from exports (DSR) as a basis for saying the debt burden is too large.

Indonesia's economic potential is too great for that to be true. Our export volume is now \$8 billion, and it can be improved if we are able to obtain sufficient assistance in technology and capital goods. That is not true of countries without a economic potential like Indonesia's.

No Need for Concern

Hamzah said also that the size of the DSR should not be a cause for concern and that it does not mean we are in a difficult situation. It does mean, however, that we must work seriously to bring it down.

If we are able to expand nonoil exports to about \$1 billion per month, the DSR will decrease. Indonesia actually has great economic potential, but if we do not utilize it, or do not use foreign loans to stimulate the nonoil sector, those loans will be meaningless. We would then be at a "red light," warned Hamzah.

It is hoped that, besides the effects of nonoil exports, services like the sending of quality manpower, shipping costs, overseas insurance, and such like, will steadily bring down foreign exchange expenditures. Such services have always had a deficit in the past.

6942

MP Supports Planned Bank Deposit Interest Taxation

42130124a Jakarta SUARA PEMBARUAN in Indonesian 27 Apr 88 p 12

[Excerpts] It is time to tax bank deposit interest, not only because this is clearly stated in the tax laws but it turns out that bank deposits are being used to reduce people's tax liabilities.

Engr. Tadjuddin Noer Said, a member of Commission VI of the DPR [Parliament], made this statement in response to questions from PEMBARUAN in Jakarta last night.

Tadjuddin explained that, as is well known, people purposely deposit part of their capital in banks for two reasons: to get the interest and also to get a credit for working capital, which can then be used to lighten their tax payments.

The profit gained by reducing taxes in this way can be in the billions or hundreds of thousands of rupiahs. This is how bank deposits are consciously used to gain profits from the tax system. "Therefore, it is time we levy a tax on all bank deposit interest," said Tadjuddin Noer.

An Alternative

If a tax is levied on bank deposit interest, Tadjuddin said, businessmen or the rich could be given the alternative of "playing" the stock market. Therefore, plans are to tax bank deposit interest at 15 percent a year, obviously to make it the same as interest on dividends in the capital market.

When asked what would happen if imposing a tax on bank deposits causes capital to leave the country, for example through the large-scale purchase of dollars, Tadjuddin said this was not something to worry about because people still feel traumatized by the fall in the value of the dollar due to the recent drop in stock prices on Wall Street.

If it turns out, however, that capital continues to leave the country, BUMN [State-owned Enterprises], which are obliged to keep their funds in government banks, could be asked to withdraw all their funds so that the banks would make the effort to get funds again by offering high interest rates on deposits and savings. "Nowadays people prefer to "gamble" their money domestically," he said.

09846

Finance Minister Speaks on Deregulation, Debt Payment

42130124d Jakarta KOMPAS in Indonesian 29 Apr 88 p 12

[Excerpts] On Wednesday evening [27 April] J. B. Sumarlin, minister of finance, said that the Indonesian economy is improving and that this is the result of the government's deregulation policies. Even though the economy is improving, the government will continue to try to implement a number of deregulation policies to make further improvements.

Minister Sumarlin made these statements at an evening reception in the Indonesian Embassy in Makati, Manila.

Speaking to Ambassador H. E. Moedjono Poerbonegoro and some members of the embassy staff, Sumarlin, who is attending the 21st annual meeting of the ADB [Asia Development Bank], said that besides the deregulation policies of last 24 December the government will also issue a number of other deregulation policies to provide an impetus for domestic economic activities. "An insurance bill and a bill regulating the retirement of national enterprise employees will soon be presented to the DPR [Parliament] for approval and signing into law," said Sumarlin.

He said that these are all intended to provide an impetus for the economy, which showed a 3.5-percent growth last year, an increase from the previous year's 3.2 percent.

Civil Servants' Salaries

On this occasion Sumarlin said that civil servants' salaries cannot be raised now because government funds are limited. When conditions permit, wages will be raised. Sumarlin did not go into details. He said that it will not be so bad for wages not to be raised now because the government has been able to control and lower the rate of inflation.

In response to questions from the embassy staff, Sumarlin stated that Indonesia will continue to repay its debts with the funds at its disposal without having to reschedule or "repudiate" its debts as a lot of Latin American countries have done. He said that Indonesia's debt has increased a lot recently (according to the ADB it is about \$42 billion) because of the strengthening of the yen and mark against the U.S. dollar.

Even so, Indonesia will try to repay its debts with existing foreign exchange that it gets from exports and will also try to obtain soft loans. "a loan at an annual interest rate of 3.5 percent for 25 years," he added. The ADB, which is now holding its annual meeting in Manila, is the multilateral financial organization which provides a lot of soft aid to Indonesia. The ADB provides Indonesia with about \$500 million in aid every year.

Indonesia must try a number of other approaches to reducing its existing debt burden besides providing an impetus for exports in order to get foreign exchange.

09846

Economist for Interest Tax at 'Right Time'
42130125c Jakarta SUARA KARYA in Indonesian
2 May 88 p 1

[Text] Jakarta, SUARA KARYA—Dr Soemitro Djojohadikoesoemo feels taxes on bank account interest should not be imposed now. That action needs time for preparation and should take economic conditions into consideration. "Don't do it suddenly," Soemitro said following a meeting with President Soeharto on Saturday [30 April] at the president's home on Cendana Street.

Soemitro agreed that taxes on bank accounts would mean added revenue for the government. He also believes such taxes are proper, since interest is profit. "But the government must consider whether now is the right time for imposing the tax," Soemitro asserted.

The government, he said, is urging the private sector to act to increase production. He regretted, however, that the government is at the same time also raising the issue of a plan to levy a tax on bank account interest.

Before taxing interest, Soemitro feels deregulation should be stabilized first, especially in production regions.

Besides calling on the government to postpone the tax, Soemitro asked the public to avoid making a big issue of it. By that he meant the public should not be expressing the view that the interest tax should be imposed now.

When asked about devaluation, Soemitro said he feels it is not necessary yet, but the matter greatly depends on economic conditions abroad. If the values of several foreign currencies go up fast enough and reach high enough levels, devaluation will be unavoidable.

Opportunity

Soemitro sees the domestic economy as quite good in comparison with world economic conditions. He feels Indonesia still has an opportunity to expand its foreign trade.

That observation was the conclusion he drew after seeing conditions in several countries, including Japan and the United States. He views the PRC and Korea as potential markets that can still be exploited.

Soemitro praised the government's achievements in its efforts to improve the welfare of the people. He concluded from data he gathered that 21 percent of the population lives below the poverty level, whereas, he said, in 1976 poverty in Indonesia was at 40 percent.

Soemitro used limits set by the Central Statistics Bureau as a standard for estimating the poverty line. To measure poverty, the BPS established that a person unable to obtain food providing 2,100 calories per day is categorized as below the poverty line.

6942

Entrepreneur Describes Benefits of Bonds
42130125a Jakarta TEMPO in Indonesian
16 Apr 88 p 94

[By Budi Kusumah, Bambang Harymurti, and Sidartha Pratidina: "Why Not Stock?"]

[Text] It used to be that companies that "went public" were not considered bona fide. It is different now, especially since it has been demonstrated that some companies which sought additional capital from the outside have not disappointed the public. PT [Limited Company] Jasa Marga's bond issue was an example. That company's steps are now being followed by Astra International, the first private firm to move into the world of bonds.

The motivation for Astra's pioneering turns out to be very simple. This was explained by Edwin Soeryadjaya, holder of the position of director and the only son of Astra Group's boss. "Funds obtained through bonds are more profitable than bank credit because of their 5-year minimum term," he told TEMPO's Bambang Harymurti.

Astra is not after just a little money. In order to finance additional investments and replace bank loans, which are normally used for working capital, Astra will soon issue bonds worth 60 billion rupiahs at a tantalizing 17 percent interest.

That amount of interest should not be a problem, of course, when compared with the interest earned on bank deposits, now revolving between 15 and 21 percent. As negotiable securities, bonds may be redeemed at any time, especially those of Astra, which is known to be bona fide. Another important and attractive factor is that two well-known banks are acting as backers.

Bank Bumi Daya [BBD], the underwriter, or the one who assures sale of the bonds, is a well-known backer of bond issues. BBD was previously underwriter for Jasa Marga's bond issues, which now have reached 400 billion rupiahs. The bank acting as guarantor—when the moment of redemption arrives at the end of 5 years—is a new face on the stock market, but the name of City Bank is well enough known.

Astra must pay a fee of 1 percent of the nominal value of the bond issue to City Bank as guarantor and 0.75

percent to BBD. That does not include other costs, like commissions paid to the trustee, who represents bond owners, which can run to 3 percent.

"Indeed, when you add it up, it can be more expensive than bank credit," said Edwin. There are, however, those other factors mentioned earlier. Not only is the term longer, but funds obtained through bonds can go right into the pocket, unlike loans, which are obtained in installments as funds are needed.

Seeing what happened with Jasa Marga's bonds, which were sold out in 4 days, Edwin is confident there is a lot of idle money in private companies as well as in BUMN's [state-owned business enterprises]. Therefore, it is understandable for him to count on a smooth process in the sale of Astra's bonds. "That this is a new source of funds for the business world can't be denied any longer," he asserted.

We hope these expectations are not unfounded. "Considering the interest being offered, I don't think the marketing will take a long time," said Prof Barli Halim, chairman of BAPEPAM (Capital Market Executive Board). With BBD as the underwriter, this is particularly so. "Many sources of funds are certain to be approached," he added.

That is an accurate supposition. A manager of a bank involved in the bond issue said the buyers are "clear." One will be the government, including TASPEN [Government Employee Savings and Insurance] and the Pension Fund Foundation. Why they? Bonds remain less attractive than deposits, according to this source. One reason is that bond interest is still subject to income tax.

Okkie A.T. Monteric, vice president of the Chase Manhattan Bank in Jakarta, expressed the same view. "It is the government's responsibility to explain the current importance of the capital market to the people." But Okkie is sorry when bonds issued by private firms or BUMN's are bought only by government agencies. A successful capital market is one that can sell its securities to the public at large.

Apart from the evaluations of observers, the search for added capital outside of financial institutions, whether banking or nonbanking, is beginning to appear pleasing to entrepreneurs. Reportedly, Charoen Pokphand, a company active in the food sector and livestock breeding, will soon issue bonds worth 35 billion rupiahs. Bakrie Brothers also appears to be preparing to go public.

The main problem is how to stir up public interest in bond ownership. One function of popularizing bonds is the affirming of confidence in the value of the rupiah and thus stopping "capital flight."

More Companies To Go Public, Issue Bonds
42130122c Jakarta SUARA PEMBARUAN in Indonesian 20 Apr 88 p 11

[Text] Jakarta, 20 Apr—The capital market will be busier in the coming months, because several national companies have stated their intention to sell some of their stock to the public ("go public"). Several other companies will issue bonds as well as stock.

Drs Djoko Kusnadi, head of the Legal and Research Bureau of the Capital Market Executive Board (BAPEPAM), declared with certainty to SUARA PEMBARUAN on Tuesday [19 April] that five companies have stated their intention to issue stock on schedule beginning in April.

For one of the companies, PT [Limited Company] Hotel Prapatan, its sale of stock on the market will be a continuation of steps taken in the past. The company is already listed on the stock market, but in April it will issue 4 million shares of new stock valued at 1,000 rupiahs per share.

Four other firms, PT BASF Indonesia, Trebor, PT Multi Artha Guna (insurance), and PT Amanah Jaya of the Panin Group, have also contacted BAPEPAM but have not yet submitted statements on their stock issues. When those four companies go public, the number of firms listed on the stock market will increase from 24 to 28.

Bonds

He said there are six companies that will be issuing bonds in the near future. They are Bank Pembangunan Indonesia (BAPINDO), PT Jasa Marga, PT UPPINDO (a nonbank financial institution), PT Astra International, Inc., PT Papan Sejahtera, and BUKOPIN (Public Cooperative Bank of Indonesia). Three of them, PT UPPINDO, PT Astra, and Bukopin, will be issuing bonds for the first time.

BAPINDO offered 60 billion rupiahs' worth of bonds in March and as a second phase will offer 40 billion rupiahs' worth in June. PT Jasa Marga will offer bonds valued at 50 billion rupiahs in June.

During the same month, PT Astra will issue bonds worth 60 billion rupiahs, which represents part of a total plan for 374 billion rupiahs in 1988. PT Jasa Marga will follow with their plan for a bond issue worth 54 billion rupiahs. He said BUKOPIN had not yet submitted a statement on its intended issue.

Policy Package for 1987

Djoko Kusnadi said the PAKDES 87 (Policy Package of December 1987) generally has been received positively

by various parties active in and involved with capital market activities.

With the support and participation of the community and the creation of several new policies, he hopes that activity on the capital market will increase in the future and that it will function as an easy-to-use, inexpensive, and profitable facility for companies seeking funds for expanding their operations.

6942

Thousands of East Java Fertilizer Workers May Lose Jobs

*42130106b Jakarta MERDEKA in Indonesia
30 Mar 88 p 1*

[Excerpt] Surabaya, 29 March (MERDEKA)—About 11,000 workers of private fertilizer distribution companies in East Java are threatened with lay-offs as a result of a cut in the activity of these companies beginning this 1 April. Scheduled to begin on this date, fertilizer distributors in this province will only be given a 15 percent share of the 1.5 million tons of fertilizer that is distributed each year, even though they in fact previously handled more than 80 percent.

The chairman of the Fertilizer Distributor's Union, H. Sukri Adnan, told reporters last 29 March that there were 24 fertilizer distributor companies at the provincial level who had 340 distributing agents in level II regions [Kabupatens] in East Java.

The cut-back policy is based on the Minister of Trade Decision No 61 that divided fertilizer distribution contracts giving Rural Cooperative Units [KUD] 65 percent, PT Petani 20 percent, and private distributors and Government Enterprises [BUMN] besides Petani 15 percent.

So the private sector will no longer have any distribution activity because its share of the distribution contracts is 15 percent, and even this must be divided with Government Enterprises Cipta Niaga, Panca Niaga, and others. The result of this will be the threat of bankruptcies or a reduction in work force that will in turn effect 11,000 people, in other words.

13416/12232

Shortfall in Projected Rural Bank Savings Explained

*42130122b Jakarta KOMPAS in Indonesian
20 Apr 88 p 1*

[Excerpt] Semarang, KOMPAS—SIMPEDES, or Village Savings, managed by the Indonesian People's Bank (BRI), has not yet played an important role in mobilizing funds in the villages. Even beyond that, village people are still only dimly acquainted with savings, which are a factor in making financial self-sufficiency among the

people possible. Thus, SIMPEDES not only has not been institutionalized but has intensified apprehension over economic conditions in the villages.

KOMPAS coverage of a number of villages in eight regencies in Central Java shows that village economic conditions are still far from good enough to permit people to set aside some income for savings. The structure of village society, which consists mostly of farm laborers who make just enough to get by, does not enable them to participate in SIMPEDES yet. This differs from what was hoped for SIMPEDES, which in some places consists only of instructions, because the village community is increasingly trapped by lending practices hidden behind the names of savings and loan cooperatives, social foundations, and such like.

Seeing this picture, it is hard to envision the fulfillment of hopes expressed by MENKEU [Minister of Finance] Radius Prawiro in November 1986, when he estimated SIMPEDES could reach 1 trillion rupiahs in the next 3 or 4 years. According to the most recent records, those of January 1988, village funds accumulated under SIMPEDES by 3,600 BRI Village Units totaled only 187.7 billion rupiahs.

6942

Java's 1987 Rice Output Drops

*42130106c Jakarta PELITA in Indonesian
30 Mar 88 p 12*

[Text] Jakarta (PELITA)—Rice production in almost all provinces on Java experienced a decline in the 1987 planting season except in West Java. In West Java, specifically in the Supra Insus [Super intensification Program] areas, there was in fact an increase of 400,000 [as published] tons of rice because of the success of the Supra Insus program in five districts (Karawang, Bekasi, Subang, Indramayu, and Tangerang). However, in the coming April harvest it is hoped there will be an increase in production.

Data received from a Pelita source in the Directorate General of Food Crops in Jakarta 29 March said that rice production during the planting season of 1987 was recorded at 270,000 tons for the whole island of Java. Cumulatively, the production for all of Indonesia reached more than 700,000 tons. This is very heartening considering the situation in other countries where rice production has fallen, he said.

Harvest Estimates

Touching on the problem of harvest estimates, he mentioned that this April is the main harvest. In this main harvest, it is hoped that there will be an increase in production compared with last year.

"This will especially be the case as more districts are participating in the Supra Insus program. At present, there are 23 districts both in and outside Java that are taking part in the Supra Insus program, with a total area of 600,000 hectares throughout Indonesia," he said.

Meanwhile, the Secretary of the Bimas [Public Guidance for Food Self-Sufficiency] Management Board, Dr IR.H. Dudung Abdul Adjid, has said that the harvest would be especially successful if the Supra Insus program could reach yields of 9 tons/hectare from 6 tons/hectare. This would be despite the fact that not all farms in these areas make use of the 10 procedures of the Supra Insus program.

13416/12232

NU Leader Discusses Government, Public Perception Gap on Development

42130124c Jakarta *PELITA* in Indonesian
28 Apr 88 p 12

[Text] Although the government and the people have developed an integrated cooperative effort in various fields, there still is a gap between government and public perceptions. These gaps, although not to a very high degree, can be seen in various policies offered up by the government.

K H Ahmad Sidiq, head of the "Ashtra" IPP [expansion unknown] Islamic Boarding School and general chairman of the PB [Executive Committee] of the NU [Muslim Scholars Organization], made this statement at Ashtra on Monday [25 April] when he was visited by Minister of Information Harmoko's "Ramadan Safari," the goal of which is to learn about various aspects of provincial and village people's aspirations.

K H Ahmad Sidiq strongly suggested that the gap between the government's perception and public perception be closed in a relatively short time because the government's development policies and the people's expectations of development are completely equal and will benefit both the government and the people. "Therefore," he said, "we should look for a meeting point in that gap in order to bring about the hopes that we are dreaming of."

Ahmad Sidiq also said that Muslim scholars are trying to bridge the gap between government perceptions and public perceptions. One of the ideas developed by Muslim scholars is the concept of a "three-level" nation. The first is that of an internal Islamic brotherhood which does not take politics, group membership or other interests into consideration.

The second is the concept of a national brotherhood based on national interest, i.e. one that does not distinguish between different religions but which creates harmony between different religious communities. This was

agreed on because Indonesia does not follow only a single religion but rather a number of religions whose rights are guaranteed by the state.

The third is the concept of an international brotherhood, i.e. the idea of an interconnection between the nation and other nations. It is very important to develop an Islamic brotherhood on an international scale because the same religious mission is important to people who have the same religion. "Therefore, cooperation between nations which have the same faith becomes a dominant feature of the same set of interests," he said.

Not Exclusive

This does not mean that of the three Islamic [as published] brotherhoods agreed to by Muslim scholars that Islamic brotherhood is exclusive; it is in the midst of a multitude of other nations, societies and religions. In this connection it is hoped that an international Islamic brotherhood can be brought about as quickly as possible so that Islamic societies can grasp the broadest possible meaning of development.

Ahmad Sidiq said that the most important thing, besides bringing about that Islamic brotherhood, is for the government and for Muslim scholars to break the people's bad mental habits. If mental habits, discipline or other attitudes which deviate from religious norms or the philosophy of PANCASILA [Five Principles of the Nation] cannot be overcome, it will be difficult for people to grasp the meaning of human development as a whole and to take care of people in various aspects of their lives.

09846

Student Leaders Blame Government for Lackluster Campus Press

42130124b Jakarta *PELITA* in Indonesian
28 Apr 88 pp 1, 6

[Text] Too tight a control over the campus press is not giving students the opportunity to be creative or to develop social sensitivity. It is time to get rid of this control, based mostly on suspicion, because it is causing a decline in students' social concern.

These views represent the opinions expressed in Jakarta yesterday by Drs Ronin Hidayat, by Engr Saleh Khalid, general chairman of the PB [Executive Committee] of the HMI [Islamic Students Association] and by Drs Sardjan Nasution, secretary general of the Indonesian Student Press Association, in separate interviews with *PELITA*. The three of them were invited to comment on the statement made by Engr Akbar Tandjung, minister of youth and sports, who said that the campus press plays a positive role as a means of developing students' intellect and sensitivity.

These three figures agree with the minister that the campus press has a dual function: to develop students' ability to think via the print media and to play a role in community development. The problem, however, is: what should be done to redevelop the campus press, which is now in a state of relative decline?

Social Sensitivity

Drs Ronin Hidayat, who once ran Diponegoro University's newspaper MANUNGGAL, thinks that there has been a shift in the campus press since the institution of the NKK [Campus Life Normalization] and the BKK [Student Coordinating Board] on campuses. Although the campus press is still publishing articles on social issues, its news reports are dominated by announcements of student arts and sports activities on campus.

He said that he has the impression that student idealism can no longer be channeled through existing campus media.

Drs Sardjan Nasution, secretary general of the Indonesian Student Press Association (IPMI), thinks that too tight control over the campus press has caused a decline in student willingness to become involved in campus press activities. Sardjan also thinks that the vacuum in IPMI since 1982 has been also caused by this control.

He thinks that in order to overcome this situation students should be given broader opportunities to run the print media on their campuses. If people are still concerned that students will act anarchically if given too much freedom, he suggests journalistic education with more material to develop a national outlook.

Engr Saleh Khalid, general chairman of HMI's PB, said that it is time to tone down an overly suspicious attitude toward students. This suspicion obstructs student responsiveness toward the national problems to which they should pay attention and about which they should feel responsible.

Saleh, an alumnus of the IPB [Bogor Agricultural Institute] and the LIPPM [expansion unknown], said that if this exaggerated prejudice toward student activities, reflected in the difficulty of arranging for permits, could be gotten rid of, students would be able to communicate better with society in general.

Saleh Khalid stated strongly that it is time for students to become more involved with social problems and for them to show greater responsibility toward such problems. "We need a climate which allows students to express their ideas," he said.

Saleh Khalid thinks that the campus press has great potential for channeling student ideas, for developing their sensitivity and for forming their characters and personalities.

Agreeing with Khalid, Saleh Nasution said that up to now there has been the impression that high-quality students are those who have a high IP [IQ?] and finish their courses on time. From a social point of view, however, students are being called on to impose their ideas and innovations on the environment, not just to memorize theories.

In an effort to fulfill society's demands, Sardjan said, the task of the campus press is to develop student sensitivity. "They can't write any old thing; it has to be based on observation and investigation." What the student press does, Sardjan said, is to train students to see the world accurately.

09846

Trade Minister Cites Close Relations With Singapore

42050019f Kuala Lumpur *NANYANG SIANG PAU*
in Chinese 30 Mar 88 p 6

[Excerpts] The minister of trade and industry, Datin Paduka Rafidah Aziz, pointed out that relations between Malaysia and Singapore are very good, as attested by the increase in investment into our country from across the causeway.

The trade minister was answering questions during a forum on foreign investments held in Johore Bharu today.

She said that the protest demonstration on the Johore Causeway, opposing Israel President's visit to Singapore, cannot be interpreted as the sole sign of our country's relationship with Singapore. She added that the incident was instigated by opposition parties.

Datin Rafidah Aziz denied that investments from Singapore have slowed, adding that that country has always been our top investor and now ranks second among all foreign investments.

9300/9738

White Paper Reports on Marxists' Activities

42130110 Kuala Lumpur *BERITA HARIAN* in Malay
24 Mar 88 p 2

[Text] Kuala Lumpur, Wednesday [23 March]—A group of Marxists who tried to rupture the national social and political structure to establish a communist system in this country were connected with a number of foreign organizations that were linked to the international communist organization.

According to a white paper entitled, "Toward Protecting National Security," which was circulated in the House of Representatives today, the group was headed by several persons who lived by these principles when studying in the United Kingdom, the United States, and in local universities.

Some members of this group, whose growth began several years ago, were trained in two pro-communist organizations in the Philippines.

Among other things, the group was to carry out "consciousness raising" work aimed at making the people aware that poverty, suffering, and their lack of capabilities were due to oppression by the country's current system.

Several members of this group, including Dr Mohd. Nasir Hashim, a lecturer at the Malaysian National University (UKM), and Chee Heng Leng, a lecturer at the Malaysian Agriculture University (UPM), used Marxist principles to influence the people, especially workers.

Dr Nasir admitted that he wanted to be active in that group to create a government modeled after a "dictatorship of the proletariat," namely, to create a transition government that would exist prior to the establishment of a true communist government.

Infiltrated Organizations

The Marxist movement also used plays as an effective means of obtaining support to achieve its struggle goals.

The white paper quoted Chow Chee Keong, a drama expert involved in this activity, as saying, "I tried to influence the people to change the present political system to a socialist system."

To achieve their goals, the Marxists established the Pentas Drama Kreatif Sdn Bhd (PENTAS) [Creative Drama Theater] which actively exploited a number of current issues, such as the Papan issue, by staging plays.

The group also infiltrated several Christian organizations such as the Catholic Welfare Services (CWS), Youth Christian Movement (YCM), Catholic Student Society (CSS), and the Council of Churches of Malaysia (CCM).

According to Theresa Lim Chin Chin, a church social worker, the activities of this group among estate and factory workers and squatters on government land were aimed at forming a proletarian people's movement that would spread and be able to work against the present social structure in a radical way, including pointing up class differences in society and the inequalities of the political and socioeconomic system and in government policies.

The Marxists also infiltrated another Christian organization, the "National Office of Human Development" (NOHD) and used the tactic of exploiting poverty issues in religious tracts.

Several members of the group also studied the fine points of initiating strikes and demonstrations as masterminded by pro-communist elements in the Philippines.

6804/9738

Improvement Noted in Relations With United Kingdom

42130113c Kuala Lumpur UTUSAN MALAYSIA in Malay 4 Apr 88 p 8

[Commentary by Razak Rashid Ghows from London: "Howe Visit Important to Improving Malaysian-UK Relations"]

[Text] Under the administration of Datuk Seri Dr Mahathir, Malaysia has made several changes in foreign policy, but among the most visible are those pertaining to relations with former colonial power Britain.

London-Kuala Lumpur relations, which were always good under the three previous prime ministers, entered a new era when Datuk Seri Dr Mahathir felt the British were indifferent to Malaysia.

For example, when the British Government raised the tuition of foreign students, European students were exempt, but Malaysians were not, although Malaysia is a member of the Commonwealth.

The retaliation that most surprised the British was the Malaysian Government's discontinuance of its customary preferences given to British goods and companies.

This policy reportedly caused great loss to the British Government and private sector and made London try to improve the not very cordial relations.

Following moderation of the policy on buying British goods, however, the reception of British businessmen to the Malaysian investment climate has become increasingly good. Several large-scale joint projects, like the North-South Highway and the undersea cable projects, have been approved, and the volume of trade between the two countries increasingly shows positive developments.

With these developments, all the sources of dissension straining bilateral relations, especially in the trade sector, have been put out of sight.

Mrs Thatcher's visit to Malaysia 2 years ago was a sign that the Malaysia-UK confrontation that involved her directly in various issues, like the takeover of the Guthrie Company and the policy on British goods, has been resolved.

The visit of British Minister of Defense George Younger 2 weeks ago, followed by tomorrow's visit of Foreign Minister Sir Geoffrey Howe, both coming in the first quarter of 1988, reflect Britain's sincerity in strengthening the ties that have been achieved.

Britain shares the views of Malaysia and ASEAN countries on many things related to foreign policy. For example, Britain has condemned Israeli brutality toward Palestinians in the Gaza Strip and on the West Bank as

inhuman actions. Sir Geoffrey Howe himself stated Britain's position on the issue in his meeting with the Jewish community last October. Howe agrees with the proposal that an international commission be formed to seek peace in Gaza and on the West Bank. Israel's arrogance and continued encroachment on Palestinian territory has increasingly hindered trade with Malaysia and the EEC. When Britain and European Community nations suspended trade concessions to Israel and rejected new trade agreements as a protest, Israel retaliated by stopping the shipment of Arab farm products to European countries.

Britain has also declared its support for Cambodia, in agreement with the position of ASEAN nations, who favor the formation of an independent country in that region.

As for Afghanistan, Britain has declared its concern over the future of the people in that country and over the possibility of the flare-up of new crises after Soviet troops are withdrawn.

We also commend Britain's attitude in its opposition to an EEC proposal to put duties on vegetable and animal oils.

At a special dinner held recently for Sir Geoffrey Howe at Ennismore Garden, London, before his visits to Singapore, Malaysia, and Brunei, the Malaysian high commissioner to the UK, Datuk Jamaluddin Abu Bakar, stated his hope that Britain would use its influence among EEC nations by exerting more leadership in international affairs and in encouraging a freer flow of trade.

Since Britain now possesses the strongest currency of any country and is a member of the Group of Seven, we hope it will help to reduce the uncertain condition of international exchange rates, because this situation can affect the economic growth of developing countries. (As of this writing, the exchange rate in London is 1 pound to 5.09 ringgits.)

Besides its connection with international and economic issues, Howe's visit to Malaysia is his first and is certain to afford an opportunity to the two countries to review matters of common interest on trade, rising foreign student tuition in Britain, and the Malaysian request to increase its weekly flights to Britain.

Malaysia is expected to begin exporting its national automobile to Britain in January of next year, and its attempt to penetrate the market in that country will be a big test for the Proton. The Proton so far has not been successful in winning the hearts of the international community, since too few cars have been exported to the various countries.

Sales on the British market, which will force its competition with European-made cars, will prove Malaysia's

capability to achieve its ambition of being an automobile exporter. High tuition costs in Britain, which are expected to increase by another 7 percent next year, will prevent sending very many Malaysian students each year. One way to solve the problem may be through the system of pursuing dual degrees that is to be initiated soon by the MARA [Majlis Amanah Rahyat (Council of Trust for Indigenous Peoples)] Education Foundation. This problem is expected to be discussed in Howe's meeting with Minister of Education Anwar Ibrahim. A total of 4,000 Malaysian students are now studying in Britain under government sponsorship. This figure does not include the approximately 6,000 other students studying under private arrangements.

The freedom given by the government to Malaysian graduates to work overseas after completing their studies is a matter yet to receive agreement from other countries, especially regarding the granting of work permits.

We do not know what Britain's response to that proposal will be, considering that Britain itself is experiencing unemployment. It is not known whether this issue will be raised during Howe's visit, but if the proposal is at the level of government-to-government talks the results of the discussions should be made public.

With respect to air service between Kuala Lumpur and London, MAS [Malaysian Airline System] now has five flights a week and British Airways has four weekly flights, in addition to several flights by other companies. Although talks are going on at the staff level, the question should not be permitted to drag on, considering its effect on the Malaysian tourism industry.

Lastly, Howe's visit, which also represents a meeting of EEC members with ASEAN countries, will provide an opportunity for Malaysia to describe preparations being made by Kuala Lumpur for next year's meeting of Commonwealth heads of government.

6942

Comments by Mahathir on UMNO Membership
42130121a Kuala Lumpur BERITA HARIAN in Malay
12 Apr 88 p 1

[By Mahfar Ali and Shahrudin Ramli]

[Text] Kangar, Monday [11 Apr]—UMNO (New) is open to every Muslim Malay, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

The prime minister, who is also founding president of New UMNO, said New UMNO, like other organizations, nevertheless has the right to accept or reject applications.

"Of course, people who have tried to destroy groups they belong to are a threat to any organization, and their participation must be considered carefully and possibly rejected," he declared.

Commenting on insistence by Datuk Musa Hitam, former deputy president of the old UMNO, that the founders of New UMNO accept all members of the original UMNO in order to create true unity among Malays, the prime minister said, "There is no reason this matter should become a problem, because UMNO has customarily rejected the membership of some Muslim Malays, like PAS [Pan-Malaysia Islamic Party] members, for example."

Appoint

"There are some UMNO members, including myself, who have been expelled from the party," he said.

The prime minister said everyone has the right to apply for membership, but it is not true all Malays will be accepted.

In reply to a question, he said New UMNO has reason for not reappointing all former UMNO division chairmen as founding chairmen, for some are not interested in the success of the party.

As an example, he said there are UMNO members who did not attend the recent meeting on amendments to the constitution, even though they knew the meeting was important. Also, some of them have been accusing and smearing New UMNO.

The prime minister said people who are not appointed as chairmen may be accepted as members if they are deemed suitable.

With regard to the efforts of some people to use the rulers for political purposes, the prime minister said, "It is clear indeed that the palaces should not be involved in politics."

He said, however, that the palaces may urge unity and such like.

At a press conference at the close of his visit to Perlis, Datuk Seri Dr Mahathir also mentioned other subjects, including the following:

- The New UMNO founding committee will discuss New UMNO's constitution at a meeting this Wednesday [13 April];
- The enrollment of New UMNO members continues and is receiving an enthusiastic welcome from Malays;
- Chairmanship nominations for divisions and for youth and women are being studied;
- He denied reports that members who are accepted

must submit to him and that people he does not like will be rejected;

- He believes certain magazines will continue to publish articles that smear Malaysia's image because they think they can do better than the present Malaysian Government, or better than any country in the world;
- He advised everyone, especially the press, to avoid making an issue of the use of plastic bags for importing fish into the country; and,
- Dividends from the National Stock Trust (ASN) vary because they depend on business profits.

Datuk Seri Dr Mahathir arrived here last night to inaugurate the Loyalty With the People Movement (SEMARAK) at the Perlis State level at Sungai Batu Pahat, about 12 kilometers from here.

He and his party, including his wife, Datin Seri Dr Siti Hasmah, left for Kuala Lumpur today.

6942

MIC President Denies Rift in Party Leadership
42130113a Kuala Lumpur BERITA HARIAN in Malay 4 Apr 88 p 2

[Text] Butterworth, Sunday [3 Apr]—MIC [Malayan Indian Congress] President Datuk S. Samy Vellu today denied reports of a dispute between himself and certain leaders in the party.

There are, nevertheless, certain party leaders who fault the MIC for their problems in other organizations, he told reporters following his inauguration here of the Sri Sathya Sai Baba Service Council at Seberang Jaya.

When asked whether he had studied the problem faced by the Nesa Cooperative, headed by MIC Deputy President Datuk S. Subramaniam, Datuk Samy Vellu said he did not want to mention the name of "anyone."

The cooperative was recently reported to be facing a cash flow problem as a result of long-term investments that have not yet paid dividends.

Datuk Samy Vellu, who is also minister of public works, said there is a group that wants to oust him, calling him unsuited to lead the party.

6942

New UMNO Draft Constitution Expected by Mid-April
42130113b Kuala Lumpur UTUSAN MALAYSIA in Malay 4 Apr 88 p 3

[Text] Malacca, 3 Apr—Senator Hussein Ahmad, chief of information for UMNO (New), said the committee studying the party's constitution will present draft amendments to the constitution at a meeting of the Supreme Council (MT) during the middle of this month.

He said the committee, chaired by the party's deputy president, Ghafar Baba, will submit at the meeting several proposed amendments for examination by the MT. Senator Hussein said important factors considered in the draft amendments include prevention of uncontrolled money politics in the party.

Other matters include reduction of "politicking" among members to keep leaders from "wasting time and to enable them to focus attention on their task of bringing development to the people," he said.

He spoke to reporters here yesterday afternoon after briefing leaders of the Malay community in the Hang Tuah Council on developments in the party. Senator Hussein explained that the party's constitution needed study to ensure the party will not be exposed to money politics. If that occurs, UMNO will be the "tauke's" [businessman, usually Chinese] party and from then on will be controlled by businessmen.

"If that conduct is permitted to continue freely, the politics of Malays can then be bought and sold," he said.

When asked to comment on the the recent incident at the Kelantan Palace when Chief Minister Datuk Haji Mohamad Yaacob was not invited to present a pledge of allegiance on the occasion of the birthday of the Sultan of Kelantan, Senator Hussein said, "That was nothing unusual, and I was not surprised." The senator, who is also deputy minister for housing and local government, did not know how the mistake that caused the incident was made.

The people's pledge of allegiance, which is read to the monarch by the chief minister, is important because the people and the monarch are like a single, indivisible voice," he said.

He hoped there will not be anyone who will take advantage of the incident.—BERNAMA

6942

High Court Rejects Injunction Against New UMNO
42130121b Kuala Lumpur UTUSAN MALAYSIA in Malay 13 Apr 88 p 1

[By Faridah Hashim]

[Text] Kuala Lumpur, 12 Apr—The High Court today rejected the request of Tunku Abdul Rahman and Tun Hussein Onn for an injunction against UMNO (New) to prevent them from distributing applications and accepting members.

Justice Datuk Ajaib Singh said in his decision that they and another plaintiff, former Minister of Agriculture Datuk Manan Othman, had no basis or grounds for asking for a temporary injunction from the government.

The court also rejected the plaintiffs' request for an injunction to prevent the the president and general secretary of New UMNO from:

- Moving, managing, or selling assets of old UMNO; and,
- Issuing any oral or written statement about or referring to the plaintiffs or the founding committee of UMNO Malaysia.

Justice Datuk Ajaib Singh also ordered the three plaintiffs to pay court costs and granted permission to them to appeal his decision to the Supreme Court.

He read his decision to a packed courtroom at exactly 1530.

Former Prime Ministers Tunku Abdul Rahman and Tun Hussein Onn, with Datuk Manan Othman, had submitted their request on 1 April. They named Prime Minister Datuk Seri Dr Mahathir and Minister of Information Datuk Mohamed Rahmat as defendants representing themselves as president and general secretary of New UMNO and representing all members of the party.

The plaintiffs were represented by attorneys Raja Aziz Addruse, Muhamad Shafee Abdullah, and Christina Kow, while Datuk Seri Dr Mahathir and Datuk Mohamed Rahmat were represented by attorneys Zaki Tun Azmi, Juliana Solomon, and W.W. Cheong.

Justice Datuk Ajaib Singh said in his decision that, as a party registered under the 1986 Societies Act, New UMNO's action in issuing membership applications was merely one of its legal activities in furthering its aspirations and objectives as a political party.

On the other hand, he said, the position of UMNO Malaysia was far from stable. Its application for registration was refused, and its appeal of that rejection has not yet been decided by the minister of home affairs.

"It would be a mistake, in fact impossible, for the court to stop the defendants from making statements about UMNO Malaysia. Freedom of speech is protected by the Federal Constitution. Political parties are free to make statements related to public concerns and contemporary political conditions, and such statements may mention the activities of other political parties," he said.

The justice added that this freedom of speech is not absolute, however, for it is bounded by laws such as those against slander and derogation.

The justice said further that he fully agreed with attorney Zaki Tun Azmi's argument that the assets of a canceled organization are under the control of the registrar of societies and that he alone has the authority to administer them as provided by law. Furthermore, the justice stated, amendments to the Societies Act include provisions for protecting the interests of members of canceled organizations with respect to the organization's assets and obligations.

"Judging by what is before me, I say that the plaintiff has no prospect of success in the suit expressed in its writ to obtain a permanent injunction against the defendants. Therefore, they should not be granted the temporary injunction they ask," added Justice Datuk Ajaib.

The justice said testimony that had been given indicated the preponderance of evidence was more on the side of the defendant than on the granting of the temporary injunction.

Considering all these things, he said, there appeared to be no justification for UMNO Malaysia, whose existence is still surrounded by uncertainty, to take action against New UMNO, which is legally registered under the Societies Act.

When the justice had finished reading his decision, attorney Raja Aziz Addruse asked permission to present further arguments and to submit an appeal to the Supreme Court. Justice Datuk Ajaib Singh only granted permission to the plaintiff to appeal the decision.

**Provincial Editorials on 'Tarnished' U.S. Image,
'Selfishness' on Bases**

**MINDANAO DAILY MIRROR on 'Interfering'
U.S.**

42000338 *Davao City THE MINDANAO DAILY
MIRROR in English 13 Apr 88 p 2*

[Excerpt] Senator Aquilino Pimentel says Filipinos "should not blame the Americans for every dire thing that happens in our country."

The senator is right. We should not blame the Americans for our perennial flood problems in Davao City. Nor the spat between the Metrodiscom chief and some Rotarians. Nor the landslide in Lupon, Davao Oriental. Nor the Dona Paz/Vector tragedy. Nor the loss of Ginebra San Miguel to Purefoods at the Ultra.

But there is a lot of bad feelings these days between the Americans and certain segments of Philippine society. And that's because of the Americans' pervasive presence in our country and Uncle Sam's penchant for interfering in purely Philippine affairs. Did the CIA help Gregorio Honasan escape from his prison ship? Well, did we not read reports that Honasan had been receiving American visitors aboardship? What for? To talk about the weather? Hardly.

Many Filipinos believe that the presence of American bases in the Philippines is not necessary for the defense of the country against outside forces, since we don't have enemies on the outside. But then there are Filipinos who do not mind having the American bases in the country. In fact, should the issue be decided through a referendum most Filipinos would probably vote in favor of retention.

The trouble with the USA is its tendency to throw its weight around among the weaker nations in order to get what it wants. Playing the bully is Uncle Sam's role, it seems. And often times gets away with it, too.

**SUN STAR DAILY Warns Against 'Good Will'
Appeal**

42000338 *Cebu SUN STAR DAILY in English
24 Apr 88 p 5*

[Article by Sonny Garcia]

[Text] Our previous article identified some events surrounding the establishment and existence of American military bases in the Philippines. It also noted a subtle introduction into our culture of certain meanings and values that now need re-evaluation.

Today's column will illustrate in Philippine-American context the international principle that among nations there are no permanent friends or enemies; there are only permanent interests.

Primary of American Interest

Thus we observe that the US is retaining and will negotiate for retention of its Philippine military bases if, and only if, such retention continues to serve its own national interest.

But, as a negotiating strategy, it will try to persuade the Philippine public that retention of the bases will redound to the mutual benefit of both countries. In many areas, especially economic, there will indeed be a broad coincidence of common interests. Economic benefits will accrue to business in general especially in the areas where the bases are located. There will be more dollars entering the country and the peso will circulate at greater velocity.

A Basic Reality Filipinos Must Face

However, this coincidence of interests is essentially contingent on the prior satisfaction of American interest. Without the prior satisfaction of American interest, there will be no satisfaction of Philippine interest. Thus, Philippine interest is only an "accessory" to American interest and, therefore, is coextensive only with continued satisfaction of American desires.

This is a basic reality Filipinos must face; this is a basic reality Philippine negotiators must constantly keep in mind; this is a basic reality Filipinos thoroughly brainwashed into believing American altruism must now face with dry, not teary eyes. This will be a difficult realization. But it has to be faced.

Aid or Rental?

American interest is principal; Philippine interest only subsidiary; accordingly, should the bases cease to satisfy American national interest, these must be pulled out at the least possible cost. Accordingly, again, it would serve American interest best if, for the use of its territory, the Philippines is granted discretionary American aid, however denominated, rather than a fixed rental payment. Paying the Philippines rental would mean a fixed commitment to pay fixed rentals over a fixed number of years; if American interest should require the withdrawal of these bases, the US would still be saddled with a fixed financial obligation. On the other hand, paying the Philippines mere aid, which the Filipinos have to beg and lobby for in the US Congress, would give the US the flexibility to reduce or even refuse the aid because the condition of its grant, the use of the bases, would no longer be there.

The Lopsided Mutual Defense Pact

This kind of crude selfishness is not unfamiliar to us. REcall the lopsided "Mutual Defense Treaty" between the Philippines and the US American propaganda evolved the slogan, "An attack against the Philippines is an attack against America." Who would not be touched to tears by such a slogan?

But what reality lurked behind the slogan? America, according to the fine prints of the treaty, would repel the aggressor if, and only if, the US Congress finds it fitting and proper to do so, i.e., if, and only if, it would serve American national interest to do so.

The Era of Innocence Is Over

The era of innocence in our dealings with the US is now over. We must acknowledge the fact that America is no different from any other country whose actuation are dictated by national interest and nothing more.

Thus, we must face Uncle Sam with clear eyes; let us put in proper perspective the chiclets and the Joe's, the "I shall return" and "special relationships." These emotionally-loaded memories must give way to an objective appraisal of mutual interest.

Reservoir of Good Will

We must be particularly wary of the so-called "reservoir of good will" Filipinos hold for America. Several times in the past Uncle Sam outwitted us by employing sugar coated words and studied actuations.

Attempts will be made this time to exploit this "reservoir of good will." Let us hope that we will not fall again for selfless declarations of selfish intentions.

07310

'Australians' Photographed Contacting NPA 42000339f Sydney THE SYDNEY MORNING HERALD in English 14 Apr 88 p 9

[Article by Louise Williams]

[Excerpts] Manila, Wednesday: The Federal Government is deeply concerned over reports identifying Australians who are helping communist guerrillas in the Philippines, the Minister for Foreign Affairs, Mr Hayden, said today.

Although none has been proved to be carrying guns, four young Australian women have been photographed providing support for a communist guerilla squad south of Manila, and two Australian men have been recorded as entering communist safe houses in Manila.

Mr Hayden said Philippines Government officials had also produced documents seized during the recent capture of several communist leaders which point to the diversion of Australian funds to the guerrillas and their urban assassination squads.

Mr Hayden was speaking in Manila, on the third day of his official visit to the Philippines.

Philippine officials presented the documents to the Australian Government to support claims that Australian money sent to the Philippines by a number of nongovernment organizations has been diverted to fund the underground communist movement.

Philippines officials have long claimed that Australian organizations, in particular some left-wing trade unions, have been sending funds to the communist guerilla force known as the New People's Army (NPA).

The Australian organizations have been the target of an extensive investigation by intelligence officers here.

The Australians directly supporting and working with the communists are reportedly young members of Australian-based left-wing organizations who have been identified through photographs taken by Philippines intelligence officers.

Mr Hayden said, however, that the documents did not provide hard evidence of any direct or deliberate funding from Australia.

"We suspect that what must be happening is that money being sent from Australia for legitimate purposes is being misdirected at this end," he said.

The Philippines Government had indicated that it was holding further documentary evidence concerning Australian links, and that it was now necessary to alert Australian organizations to the diversion of their funds.

"Some Australian bodies which are thoroughly respectable could find themselves in a very difficult situation — I think it's very sad that they are being used in this way," Mr Hayden said.

He refused to identify any of the organizations or individuals named in the Philippines Government reports.

"We have absolutely no evidence that any Australian laws are being broken," he said.

Helen O'Neil writes from Canberra: The Australian Council for Overseas Aid yesterday accused extreme Right supported of President Aquino of attacking Church organizations who were raising serious problems of poverty and human rights violations.

The council's executive director, Mr Russell Rollason, said the major agencies allocated funds to specific aid projects, then monitored the spending.

He said it was highly unlikely funds were being diverted to the New Peoples' Army.

07310

**Former Aquino Official Charges Rights Record
'Worse' Than Under Marcos**

42000339e *Baguio City THE GOLD ORE in English*
16 Apr 88 pp 1, 9

[Article by Noli C. Cabantug]

[Text] "There is no difference between the dreaded Marcos Regime and the new administration of President Corazon Aquino."

These are the words of the former staunch supporter of the President, Atty. Pablito V. Sanidad in his speech during the gathering of Northern Luzon Human Rights Organization (NLHRO) advocates during the weekend.

Speaking before the Human Rights Congress at San Fernando, La Union, the former undersecretary of labor and currently the national vice chairman of the Free Legal Assistance Group (FLAG) accused the present government of "rampant human rights violations" committed by its military and paramilitary groups not only in Region I but also in the whole country. "This is even worse than the time of Marcos", he said.

He said the human rights situation is worsening even as stark violations in the form of torture, salvaging and summary killings committed in the past remain unsolved. He cited the killing of Olalia and Alejandro, the Lupao massacre remain unacted upon even with the existence of the Philippine Commission on Human Rights (PCHR) headed by Mary Concepcion Bautista.

He said the newly appointed commissioner of PCHR replaced those whom he called people with known competence and experience in rights advocacy were unceremoniously removed.

Sanidad said Bautista used the same strategy of Marcos by denouncing the Amnesty International of taking 'false reports' from the local human rights agencies.

He also accused the Cory administration of hypocrisy "because it professes to institutionalize Human Rights in the Constitution which adopts also the principles of international law and the United Nations declaration in the protection of Human life but "it practices otherwise."

He said tortures and degrading punishment are still practiced. "The tragedy is what is printed in the constitution differs from the reality of the situation", he said, citing the existence of vigilante groups sanctioned by the President herself and accused of salvaging suspected rebels without the benefit of court trial.

He cited there are 128 vigilante groups based from official sources but the real figures could exceed 600 with members armed with high powered weapons.

Sanidad, who swung support during the presidential polls to Cory and in the first few months of her succession until his resignation from the labor post last 1986, said "it is lamentable that the Cory government which came to power by virtue of a peaceful revolution to build a just and democratic society has unleashed to the people a new kind of fear and terror."

"Our new government started with a great promise. We were proud when we now dismantled the dictatorship. Many of us actually believed that we are finally in the road to deliverance. Many believed that soon human rights organizations like the Flag and NLHRO would become irrelevant."

"We thought human rights violations could be a thing of the past. But now we are in for a rude awakening. Many of us felt betrayed when we realized that the administration we helped gain power turned against our people. The country broke apart, now in different factions. Something is going wrong," Atty. Sanidad said.

Assessing the situation in Region I, he said the "democratic space is slowly shrinking like the geographical space, with the inclusion of some parts of Region I to the new Cordillera Region." He said "political dynasties remain firmly in place, the warlords are still there."

He however said these "political dynasties have switched loyalty from the Marcos regime to the present leadership.

07310

**Editorial Assessment of Laurel's 'Naughtiness' in
Flexibility, Pragmatism**

42000339b *Cebu City SUN STAR DAILY in English*
26 Apr 88 pp 5, 17

[Article by Godofredo M. Roperos]

[Text] If we are to describe the current actuation of Vice President Salvador Laurel relative to his role as the number two man of the Republic, we see him as a prizefighter presently in the middle of the ring, still unable to solve his opponent's fighting style, and therefore unable to develop a strategy of his own. So, he resorts to the next best thing: counter-punching, and floating with the offensive moves of his opponent all around the ring.

Thus, we see VP Doy moving around the country, delivering speeches and making comments on current events with rather flexible views and opinions, sometimes favorable to the incumbent titular head at Malacanang Palace, sometimes unfavorable, depending upon what suits his pragmatic mind at the moment. It is, to a certain extent, a most satisfactory way of surviving politically in a situation where the climate is highly charged politically against him.

During his recent visit to Cebu City, where, he was guest speaker of his fellow Batanguenos, he spoke openly against over centralized government as we have at the moment. We believe he is conscious of the developing strong swell of desire among people outside of Metro Manila for more decentralization of governmental powers. A seasoned political man that he is, it appears he has his ears well-honed to the ground sounds, in order to feel the pulse of the nation.

When he was interviewed later about his views on the federalization movements that appear to be mushrooming all over the country, he did not equivocate on his belief federalization is going to be good for the country, and therefore, he is giving it his full support. He said a lot of the problems facing the Republic right now will be solved if we adopt a federal system of government. Contending Filipinos are a several ethnic groups really, and should therefore know what ought to be good for each group, the VP averred federalization will definitely work in the country.

Remember, up to this moment, the President or members of her Cabinet have not come out with an opinion that might give is a clue to what might be the official presidential stand on the issue. Hence, the VP is actually standing on his own alone with his views which, quite fortunately, runs parallel with the more popular thinking among the people all over the country. Decentralization in Cebu, for instance, is a policy devoutly being sought by our local government officials.

And yet, the same VP who had come out strong for decentralization or federalization, also sees himself with President Cory in her current conflict with members of the House over the so-called "arrogance" of some Cabinet members. Like the President, Doy believes Speaker Ramon Mitra went beyond the bounds of official decency when he aired his gripes against the Cabinet members before the media rather than bring it first to President Cory's attention.

That there is a kind of naughtiness in VP Laurel's flexibility and pragmatism can be seen when he refused to give any comment on the so-called widening breach in the relationship between the legislative and executive branches of government. He made his silence more significant and meaningful when he reportedly threw in a chuckle when pressed for comment over the rift between the President and Speaker Mitra who is considered presidential aspirant in '92.

Under this light, what has the VP accomplished in his recent visit to our city? Well, quite a mountful, if you ask us. For one, he has given notice to Cebuanos he is ready to stand by their side in case they decide to pursue decentralization or federalization, and the central government will be adamant to discuss the issue or will refuse to accept the reality of the countryside's need for more power to determine and attain their own destiny.

For another, Doy is trying to inform us at the moment he is his own man, liberated from having a share in the responsibility of governance under the Cory dispensation. The fact he was not entrusted with responsibility to manage the government during President Cory's absence when she visited mainland China the other week, indicated he has been totally liberated from any form of ties with the Cory government. Whatever he does, therefore, is entirely of his own account.

And yet, whether you like it or not, Doy is duly elected Vice President of our Republic. He is therefore only a breath away from the crown. So, how is that for employing effective counter-punching to buy time?

07310

PC General Says Ram 'Fast Losing Credibility'
42000339a Cebu City SUN STAR DAILY in English
25 Apr 88 p 17

[Text] Lingayen, Pangasinan, April 24—The Constabulary regional commander in the Ilocos that the reform the Armed Forces Movement (Ram), then led by cashiered former Lt. Col. Gregorio Honasan, is fast losing its credibility.

Brig. Gen. Orlando Antonio, PC-INP Recom, one chief, said that Honasan group is not the number one problem of the country but the Communist Party of the Philippines (CPP) and its military arm, the New People's Army (NPA).

"May be they (RAM people) have plans but they don't have any credibility," Antonio said during a dialogue Friday with officers and enlisted men of the Pangasinan PC-INP provincial command, led by Col. Romeo O. Odi, PC commander.

"If you have any idea of entertaining of sympathizing with any of the RAM before under the leadership of Honasan, I appeal to each one of you to consider your stand." He said.

He told the troops that at the moment, the RAM group is fast losing its credibility and that the military is not taking the group seriously this time.

Bigger Threat

On the reforms they had been espousing, these are being attended to by the national leadership and of the leadership of the AFP, Antonio said.

The bigger threat to the stability of the republic, he said, is the CPP-NDF-NPA and they should be met properly through a united armed forces.

"We have an enemy that aims to overthrow the present administration and democratic way of life and transform it into a dictatorial form of government," he said.

"But before we can have that direction and before we can annihilate the enemy, you and I will accept that we need the willingness of the civilian population to share with the burden of maintaining peace," he said.

He told the troops that soldiers need individual reforms through self-discipline.

07310

**Growth From Relative Peace, Stability Seen in
Davao City**

42000339c Davao City THE MINDANAO DAILY
MIRROR in English 7 Apr 88 p 2

[Editorial: "Peace Dividends"]

[Text] Davao City has regained relative peace and stability since a little more than a year ago. And it is heartening to note that the much-improved situation is starting to pay off handsomely.

One fruit of peace comes in the form of increased domestic and foreign tourists visiting the city which means an infusion of more money into the local economy. More companies are opening up and more money are invested in business ventures.

Productivity in the countryside, once beleaguered by intermittent clashes between rebels and government troops, is on the way to recovery now that the farmers are back tending their farms and livestock instead of running away to evacuation centers and other safer places.

There's a perceptible increase in construction activities in the city proper, another positive indicator of a community nurtured in peace and progress.

Even the perking up of the city's nightlife is another reward of peace.

It is therefore a must that we realize the importance of cherishing peace because without it, it is impossible for us to inch forward in our eternal quest for improvement in our lives.

07310

POLITICAL

Vietnam-Soviet Friendship Association 1988 Tasks

42090156 Hanoi NHAN DAN in Vietnamese
10 Mar 88 p 4

[Text] On 9 March, the Soviet-Vietnamese Friendship Association held an enlarged conference in Hanoi to review activities of 1987 and discuss association tasks for 1988.

Professor Nguyen Vinh, head of the Marx-Lenin Institute and chairman of the Soviet-Vietnamese Friendship Association; Comrade Hoang Bich Son, member of the Central Committee of the CPV and director of the Foreign Relations Department; Comrade Dang Huu, member of the Central Committee of the CPV and chairman of the State Science and Technology Commission; and representatives of departments and branches of the Central Committee and representatives of 22 friendship association chapters from Binh Tri Thien on northwards attended the conference.

In unanimous agreement with evaluations of the great efforts of the association during 1987—the year of the 70th anniversary of the October Revolution—the conferees discussed and agreed on the following orientation for the association in 1988: to continue to spread propaganda widely on Soviet-Vietnamese friendship, on the varied accomplishments of the Soviet Union, especially the deep changes of a revolutionary nature taking place in the restructuring in the Soviet Union, on the role of the Soviet Union in the international struggle for peace and security, on the value and effectiveness of signing the Vietnamese-Soviet Treaty of Friendship and Cooperation. The association will coordinate with the General Trade Union to launch a widespread emulation movement of Vietnamese-Soviet friendship aimed at raising product quality and surpassing goals of production plans, to hold discussions on matters of concern to both associations in the two nations, to expand exchanges of operational experiences of friendship associations, and to consolidate the Central Executive Committee of the association and echelons of the association in the aim of responding to the need for developing friendly relations and comprehensive cooperation. One of the important matters is the renovation of forms of activity of the association with the aim of mobilizing the masses to participate in Vietnamese-Soviet friendship activities.

The Presidium of the Central Executive Committee of the Soviet-Vietnamese Friendship Association accepted the resignation of Professor Nguyen Vinh from the office of chairman for health reasons. Comrade Dang Huu was appointed chairman of the Soviet-Vietnamese Friendship Association.

Discriminatory Tourism Policy Troubles Overseas Vietnamese

42090160 Paris DOAN KET in Vietnamese
Mar 88 p 21

[Article by Nguyen Le: "Letter from Warsaw"; reprinted from VAN NGHE 6 Feb 88]

[Text]

Warsaw, 15 January 1988

Beloved parents,

Another Tet has come—the 11th—and I am still living in a foreign country. Recalling the busy days and especially sacred periods of traditional Tet is as painful as a wound. During the past few years, you have scolded me for writing so few letters home and for letters that are usually too short. I am like a guilty child who avoids coming face to face with his parents and when that is impossible, dares not say too much. It has been a long time so today I will write a long letter, a letter in which I want to tell you a few of my thoughts.

In your letter several months ago, you sent me a clipping from NHAN DAN on the policy of encouraging overseas Vietnamese to return home for a visit via the tourist route. Happily I showed the clipping to the friends sharing my situation. As if bearing a precious thing in our arms, we went to the embassy to present our aspirations for requesting permission to visit our home and families.

Receiving us coldly, an embassy representative explained the policy to us. He said disdainfully, "Overseas Vietnamese are Vietnamese living in capitalist countries. You who are living in socialist countries are not recognized as overseas Vietnamese."

When questioned in detail, he explained further, "Only overseas Vietnamese living in capitalist countries have dollars and a strong foreign currency. Our country is encouraging them to visit because of that. Do you understand now?"

So that is it. It is no wonder that when we organized a patriotic overseas Vietnamese association supported by the local government and groups that our embassy turned its back despite the fact that our association has no other objective than unity toward the fatherland. According to those at the embassy, we are called "exiles." In their mind, the word "exile" is synonymous with "traitor."

Leaving the embassy, our thoughts were troubled by a major question that we did not know who could answer. Why does such discrimination toward Vietnamese living in foreign countries exist? A woman married to a Frenchman or an American, once insulted by the other villagers, is now permitted to return for a visit to her ancestors'

graves. Someone who collaborated with the Saigon puppet government more than 10 years ago and fled across the border to escape the revolution may now uprightly return for a visit to his old home. They are also called patriotic overseas Vietnamese. My! Mother Vietnam is truly lenient and generous! She is prepared to erase the past and open her arms to receive her children returning from abroad to visit her. However, those representing her here treat us in an entirely different manner. Only slowly do we understand that we must bear the injustice.

Recently, through the Vietnamese press that I have found to read, I notice that much is being said about the achievement of social equality. Equality toward contributions and privileges and also equality concerning past offenses. Only upon hearing about the renovations and changes of the country do I have the strength to dare speak of those things which previously had to be closely repressed with indignity and anger.

Your first son, before he traveled so far from home, was a member of the communist youth union and was chosen from a number of outstanding students to study in a foreign country. However, he fell in love with a student who was not Vietnamese and married her. He cannot betray her, the one who sincerely loves him. Neither can he abandon his responsibility to the mother who bore him. The laws of all civilized countries in the world have never contained anything blocking the right of one person marrying someone from another country. However, he still feels he is at fault, despite years of hard work for enough money to repay the scholarship awarded during his 5 years of study. And now, a major concern is what must he do to redeem himself to his fatherland and to his family.

My beloved parents,

I am sure you understand my thoughts and aspirations at this time and will love me all the more, your guilty child. Snow fell on the streets of Warsaw today. Surely it is drizzling with a cold wind in Hanoi. I don't know how many more Tet holidays I must spend overseas away from you. Anyway, I still believe in tomorrow, when the country's renovation will truly penetrate all the nooks and crannies of life and spread through the minds and souls of everyone. At that time, I will be able to fall into your arms as before.

I hope you have a healthy, happy and hopeful new year.

A kiss to my precious parents,

Your son,

Nguyen Le

7300

MILITARY

Merits of Norm-Based Training in Artillery, Signal Units

42090155 Hanoi *QUAN DOI NHAN DAN*
in *Vietnamese* 1 Mar 88 p 2

[Article by Pham Minh Chau: "Setting Training Norms Not a Matter of 'Assigning Quotas'"]

[Text] In conducting the 1987 training mission, we found that training according to norms heightens effectiveness of training management and guidance among organizations and commanders at all levels. At the same time, the existence of concrete training norms for each training task provides cadres and soldiers with objectives for their efforts. With norms, soldiers can evaluate their own strengths and weaknesses in reference to each training task. In particular, concrete norms will create uniformity in the evaluation of training outcomes and thereby eliminate instances of report fabrication.

In 1987, the best results were achieved with norm-based training guidance by artillery and signal units. In fact, these two branches have had a tradition of training according to norms since the 1960's; they are now restoring and further perfecting this tradition. The artillery branch is developing formulas suitable for units that have outstanding success in training, so that in 1987 artillery units competed fiercely in branch training and made further progress with training material. At the conclusion of the training year, six artillery batteries had achieved a rating of skilled. Two signal and liaison units also distinguished themselves with overall training success: Group M39 and the signal battalion of the Huong Giang Corps [binh doan].

Although the norm-based method of providing guidance to training is a scientific and practical method that achieves good results and is a foundation for regular training, our experience in conducting training in the two branches in 1987 taught us that there are many other problems to solve before the effectiveness of this training method can be realized.

First of all, a uniform understanding of the how to organize training according to norms must be developed; it must not be considered a matter of assigning quotas. In the 1987 training year, especially in the new training cycle, a number of artillery and signal units, due to erroneous viewpoints, underestimated the importance of cadre control and supervision. Upper echelons usually established quotas for training content and time, but when training norms were established, many places looked on these as the bond tying the lower echelon and the soldier to the training mission, so the guidance agency and commander at the higher echelon only established the beginning and end of training cycles. That is, the higher echelon only sent down plans and thereafter came to inspect and evaluate results; whenever a collective reported norms, it was a lower echelon and soldiers

that did their own planning. It was also this erroneous understanding of the function of training norms that led to "quota allocation" by basic-level cadres in companies, platoons, and even squads, with soldiers finally doing their own planning. It is clear that in practice, wherever there were instances of such quota allocation, although there were training norms, the quality of training could not be increased, and even dropped further.

The second matter hampering results from training according to norms is the level of cadre organizational and leadership ability. In the artillery, the reason not one artillery battery met the standards for designation as a skillfully trained battery in the first training cycle is that cadres did not yet grasp the objectives (the norms), so when they began training they were unable to concentrate on training according to those norms. And as for the troop-leading ability of platoon-level cadres in training according to norms, standards were not met in either branch. In the artillery, 40 to 50 percent of the platoon cadres could not meet norms in training tasks. In signal units, there were some training tasks, such as radio reporting, in which nearly all the platoon cadres failed to meet the norms of 3d-year soldiers. With cadres at such limited levels of accomplishment, it is difficult to lead training units to achieve norms. Weakness in the ability of cadres to lead implementation also leads to a situation in which cadres are afraid to demonstrate and exemplify actions and do not provide critiques of soldier errors in the course of training. It also leads to a formal allocating of quotas to soldiers.

The third matter is inadequate provision of training materials or poor quality in training equipment limits training success of units and limits the number of times each soldier trains, so that soldiers lose confidence in their ability to achieve the norms that have been set. Especially in signal training, norms cannot be met for training tasks when technical parameters are not observed for radio sets, power sources, and wire. The verification of norms must therefore go hand-in-hand with insuring that training materials are provided.

It is also very important that norms be set that are suited to the actual current level of our cadres and men. If we set norms too low, they will not answer the demands of combat; if they are too high, beyond the ability of our cadres and men to meet them, the setting of norms becomes meaningless. Presently, both signal and artillery branches are continuing to conduct research to perfect norms for all training tasks along the lines of upholding combat requirements as the basis and at the same time allocating norms by each different level and training subject, such as 1st-year soldiers, 2d-year soldiers, 3d-year soldiers, and norms for cadres.

Experience in training according to norms has also shown that to avoid instances of quota allocation in training and insure that training meets norms set require that a training course be set up for each subject. We must insure that each basic task is thoroughly trained, and

only then raise the level of application. This means that each step must be taken, from learning how, performing correctly, and only then moving up to fast performance and performance under complicated conditions. In a number of units, because they were allocated norms for exercises, the soldiers skipped the basic level and started in on the norms, which led to faults that will be very hard to correct in the future, and results also failed to meet norms.

Thus, although training according to norms has many strengths and makes it possible to overcome many weaknesses in training, if the proper use of norms are not carefully observed and methods are not employed to control and direct training units, they will display other faults and it will still not be possible to raise training quality.

9830

ECONOMIC

New Regulations Encourage Investment by Permanent Overseas Residents

*42090159 Paris DOAN KET in Vietnamese
Mar 88 p 31*

[Text] Article 39 of the Investment Law recently passed by the Vietnam National Assembly states that the government will promulgate "regulations creating favorable conditions for Vietnamese permanently residing in foreign countries to invest in their homeland, to assist in building the fatherland. In January, a set of draft regulations on investment for overseas Vietnamese was presented for deliberation. We wish to introduce a gist of this document which is presently still in the draft stage and without legal standing.

In contrast to the general stipulations of investment law applied to foreigners, the draft regulations reserved for overseas Vietnamese have the following points that are worthy of attention:

1. These regulations are applicable to the investment activities of organizations and individuals of Vietnamese extraction, without regard to nationality or whether the person was actually born in Vietnam. The state recognizes the property and income ownership, transfer and inheritance rights of the investor.
2. There is no maximum level in the capital contribution portion (an enterprise with 100 percent overseas Vietnamese capital is possible as permitted by the general law), but it cannot be less than 10 percent of the total amount of capital in joint enterprises (in place of the 30 percent in the general law), with no minimum level regarding collective and individual economy. Overseas Vietnamese are urged to purchase foreign exchange stocks and bonds and to perform a technical advisor service.

3. Investing organizations and individuals along with their wives, children and specialists may be easily and swiftly issued entry visas and permits for residency and travel within the territory of Vietnam. They are authorized to have a Vietnamese citizen represent them on the board of trustees.

4. The relatives (parents, children, siblings and others of close relationship) of overseas Vietnamese investing in an enterprise will receive priority in examining choices for work in that enterprise.

5. Overseas Vietnamese working in enterprises that have capital invested by Vietnamese living in foreign countries will be exempt from Vietnamese income tax and may transfer their wages to foreign countries (in accordance with the general law, foreigners working in Vietnam must pay income tax).

6. Investing overseas Vietnamese must pay taxes on only 10 to 20 percent of their profits (in place of the 15 to 25 percent in the general law). They are, depending on the case, exempt from income taxes for 3 years from the time the business begins to earn a profit (in place of 2 years), and will have a reduction of 50 percent in income taxes for the succeeding 3 years (in place of 2 years). When transferring profits outside the country, they are taxed only 3 to 5 percent of the money transferred (in place of 5 to 10 percent) and depending on the case may receive an exemption or reduction on this tax.

7. Equipment, materials and property invested by overseas Vietnamese, as well as raw materials and production supplies, are all exempt from import taxes (in place of an examination for exemption or reduction depending on each individual case).

8. The State Committee for Cooperation and Investment will have an organization specializing in management and resolution of matters relating to the investment activities of overseas Vietnamese. The Central Committee for Overseas Vietnamese is authorized to establish investment advisory and service corporations for overseas Vietnamese and to establish branch offices and agents in foreign countries.

7300

Slow Increase in Production of Consumer Goods for Export

*42090151 Hanoi TAP SAN CONG NGHIEP NHE
in Vietnamese No 6, Dec 87 pp 1-5*

[Article by Le Ngoc]

[Excerpts] To expand consumer goods production and export is the first important task of light industry while this sector carries out the three major economic programs prescribed by our party and state. The sector's group B accounts for about 26.13 percent of the national gross product.

The light industry's production of consumer goods and goods for export each year absorbs about 1.8 million people, including about 550,000 being the manpower that the Ministry of Light Industry is in charge of.

According to early 1987 calculations, every ruble-dollar of imported materials used in consumer goods production will create a commodity value of nearly 200 dong. Therefore, to strengthen export in order to import materials to expand production, to help the state have more accumulation, to supply the people with consumer goods, and to stabilize the social economy has become the sector's strategic task.

The value of our country's export increases every year but remains very small. Compared to other Southeast Asian countries it is only one-tenth that of Thailand, one-twentieth that of Malaysia, one-fifth that of the Philippines, one-thirty-fifth that of Taiwan, and one-thirty-fourth that of South Korea. Our per capita consumption of some essential items like meat, fish, cloth, paper, and so on is also very low, only from 0.6 to 8.9 percent compared to that of the German Democratic Republic.

While our country's light industry always has a small capacity to produce goods for export, the fact that the existing material conditions do not allow sufficient and timely supply of electric power, chemicals, dyes, spare parts, raw materials, and so on greatly affects its productivity and quality. Although in recent years the value of the Ministry of Light Industry's export always increased, there remained a very big gap in terms of satisfying the people's needs for clothing.

Let us suppose that in a few years, when our population will be 66 million, at a very modest rate of consumption the per capita need would be 0.688 kilograms of textile materials, including 4 meters of cotton materials and 2 towels per person, we would need up to 48,200 tons of textile products in order to get enough profits in foreign currencies to cover the costs of such goods. We must in this case have a production capacity twice that of 1987 in order to satisfy such needs. Considering the current state of capital construction, we would have to spend 15-20 years to expand the textile industry, and this does not take into consideration any difficulties that may arise from the sources of capital, equipment, and raw materials.

Some bourgeois economists think that the developing countries must go through a period of preparation lasting for about a century before reaching the "takeoff" stage, the key stage leading to growth and high-level consumption. But our country's socialist construction, with the multifaceted assistance of the Council of Mutual Economic Assistance (CEMA), and first of all of the Soviet Union, will certainly enjoy many benefits. The program of cooperation for consumer goods production, which has been signed by the two governments and the Soviet and Vietnamese ministries of light industry, will boost

Vietnam's potential export capacity so as to create a greater source of domestic accumulation, to accelerate the industrialization process, and to provide jobs for about half a million laborers.

The main difficulty that the developing countries encounter on the road to industrialization is how to get capital. As the result of a small and backward production, domestic accumulation is very little; accumulation and consumption mainly lead them to borrowing money and relying on foreign aid. Many economists think that one of the best ways to escape poverty and backwardness is to build industries along the line of aiming for small- and medium-scale export and using a lot of labor.

In order to quickly expand the export of light industrial products we must consider resolving the following matters:

1. To select the goods for export to bring about good economic results and to require a lot of labor.

The standard of economic efficiency set for these export goods is that they must reach a high level of foreign-currency yield in order to pay debts (if our invested capital has been borrowed) and to import raw materials, spare parts, and consumer goods to promote expanded reproduction.

On the basis of the goal set for actually acquiring foreign currencies by means of the following group of export consumer goods, we can observe this order (with cotton yarn being unit 1):

	Item	Actual receipt/selling price (compared to cotton yarn)
1	Jute rugs	20.32 times
2	Knitted goods	15.68
3	Ready-made clothes	14.88
4	Towels	11.88
5	Woolen rugs	9.76
6	Leather shoe uppers	8.7
7	Cotton yarn	1.

Because selling prices in the country are changing, we temporarily cannot figure out now the expenses in domestic currency and receipts from the sales of imported goods to determine the price ratios between export and import goods. Such ratios will allow us to see the extent of losses and profits in our import-export business.

We can use the efficiency index having to do with the actually received foreign currencies per unit labor to select priorities for producing export goods in this order:

	Item	Actual receipt /unit labor (compared to cotton yarn)
1	Knitted goods	24.4 times
2	Leather shoe uppers	9.16
3	Woven goods, ready-made clothes	6.45
4	Towels	3.93
5	Jute rugs	2.31
6	Woolen rugs	1.85
7	Cotton yarn	1.

Those two tables show that knitted goods bring about the highest results and that they are followed by woven goods/ready-made clothes, towels, shoe uppers, and so on. The export of yarn shows very poor results.

In the case of jute rugs, in addition to expenses in foreign currencies amounting to about 18 percent used to acquire nitrate fertilizer, dyes for weft threads, and so on, the fact that the rest is labor required for manual weaving makes the actual receipt of foreign currencies very high. Although labor productivity is low, it is necessary to exploit the advantage of getting large amounts of foreign currencies from this product and the many jobs it provides. For every ruble of jute rugs exported we can absorb 0.9 man-days. At present, because our annual jute-fibers-producing capacity only attains the level of 4,500-5,000 tons and because there is a very serious shortage of chemicals, dyes, and spare parts, and prices at the time orders are placed are unfavorable, each year we export only 2.1-2.2 million sq m of jute rugs valued at 9.5-9.9 million rubles. The Soviet Union alone needs to import 2.5-2.6 million sq m of our rugs per year, but we have never been able to satisfy such a demand.

Woolen rugs also are labor intensive, but because we must import raw materials, we get less foreign currencies from them than from jute rugs. We must pay attention to using designs of valuable subjects and opening stores that sell woolen rugs to tourists and customers who pay more attention to their artistic value than to costs, if we want to boost the actual amounts of foreign currencies we can get from them. As a beginning, we can let Dong Da Woolen Rugs Enterprise be self-sufficient in doing business in Textimex design rugs and assist it in complying with foreign-trade procedures in connection with exporting rugs and importing materials and goods necessary for production and everyday life.

Our country's present population is about 60 million, with 30 million people being in the active-labor age groups. Every year about 1 million youths join these groups, and tens of thousands of people become surplus labor because of reorganization and staff reduction. It is anticipated that there will be about 35 million people in the active-labor age groups by 1990. They constitute a precious potential asset of the country, but if they are not fully utilized, they will become a burden for society. That

is why the political report that the CPV Central Committee presented at the Sixth Party Congress points out as follows: "To make sure having jobs for the working people, first of all for people living in urban areas and youths, is the key economic task to be fulfilled in the coming years." In the Philippines and Thailand, there are policies of granting preferred treatment through lending capital at low interest to the export projects that use many workers.

As we consider the relationship between 1 ruble of export value and the need for labor, we have this table:

Item	Man-hour/Selling price (compared to cotton yarn)
1 Jute rugs	26.15 times
2 Woolen rugs	15.76
3 Towels	8.82
4 Woven goods, ready-made clothes	6.82
5 Knitted clothes	1.91
6 Shoe uppers	1.7
7 Cotton yarn	1.

The actual amounts of foreign currencies coming from knitted goods are very high. The production capacity of the sector as a whole currently is about 5,000 tons, with Dong Xuan Knitting Mill producing about 2,500 tons. But its bleaching and dyeing capacity is only 3,000 tons, with the Dong Xuan mill accounting for about 1,500 tons. The capacity to make ready-made clothes is also inadequate. The Soviet Union in 1988 wants to import 16 million pieces of knitted goods, but we can provide it with only 9 million. As an immediate need we must invest more in order to resolve the lack of balance among various components in the producing process.

Woven goods, ready-made clothes, and towels all bring us considerable amounts of foreign currencies and provide many jobs. But because of a shortage of chemicals and the poor quality of spare parts we can satisfy only about 70 percent of our customers' import needs. Japan's need to import towels also is very great. In 1984 Japan imported 289.56 million towels at a total cost of about 72.9 billion yen, including 137.8 million from China and 125.4 million from Taiwan. We need to take early effective measures to take part in this market.

The economic results of exporting cotton yarn are very poor. That is perhaps the reason why in 20 years (1962-1982) Japan boosted its import of cotton yarn from 8 tons to 110,497 tons (according to JTN, March 1984). We must gradually reduce the export of cotton yarn and use it to make woven goods for domestic consumption and to export towels or ready-made clothes.

2. To give priority to the form of accepting contract orders in order to raise the effectiveness of foreign-currency capital.

At present, we are having two forms of doing work on contract for export: 1) to buy raw materials and to sell finished products; and 2) to accept contract orders on the basis of a friendly country delivering secondary materials and raw materials to us.

With the same labor charges, the second form is much more profitable in terms of effectiveness of foreign-currency capital than the first one because we do not have to get additional capital to cover purchases of secondary materials and raw materials. This does not take into consideration any losses resulting from paying interest for money borrowed to buy secondary materials and raw materials, and the waiting time involved in the case our friends may deliver unsuitable raw materials and even when we fail to import chemicals, secondary materials, and so on in time.

While our country still has a trade deficit problem—to import 3-4 times more than to export—it is very important for us to study the effective use of foreign-currency capital. At the present time, the second form of making clothes on contract for export accounts for only about 36.8 percent of the total ready-made clothes we export. It is necessary to negotiate with the friendly countries, particularly the ones that give us large orders, in order to increase the quantities of products we make under form-2) contracts.

3. To adopt flexible policies suitable for present conditions in order to attract more capital, to expand production, and to quickly boost the quantities of export goods.

a. Domestic matters:

—To allow production installations to take care of their own accounting and to be self-sufficient in producing goods for export. They are allowed to use the foreign currencies they actually get to import raw materials, equipment, and consumer goods and to continue to produce and sell at agreed prices.

—To lower the rates of state purchases or business tax imposed on export goods. The Southeast Asian countries have the policies of encouraging a reduction of 5 percent of the total value of export goods.

—To grant special privileges in the form of long-term low-interest loans to benefit export projects. To let the newly-built installations enjoy tax-free status in the first years of their operations.

—To encourage the people to pool their money in order to have capital for the construction of production installations making goods for export, or producing secondary materials for the making of export goods, under the sponsorship of the state.

—To let production installations be free to select any corporations doing import-export business to assign their import-export goods.

—To adopt policies for different kinds of import goods to protect domestically-produced goods and to encourage importing materials and equipment for production.

—To organize production installations into enterprises or at least specialized shops making goods for export in order to carry out priority measures having to do with electric power, materials, wages and bonuses, and so on, and to move toward establishing the so-called processing-for-export zones (where processing of goods for export takes place, also called free-commerce zones, free-export zones, special economic zones, and so on).

b. Matters having to do with foreign countries:

—To revise and promulgate the investment law to be more attractive to capital investment by foreign countries. In this matter, we can consider some changes adopted by the Southeast Asian countries.

To raise the shares of foreign countries in capital investment. The old percentage is 40 percent, but now we can change it, in the case of production projects aimed at making goods for export, to 60 percent (as in India) or 100 percent (as in Malaysia).

To let foreign countries providing us with technical secrets or technical services receive commissions ranging from 5 to 8 percent of coming-out-of-factory prices for 5 years (as in India) or 3 percent (as in Indonesia) or 3-5 percent of domestic selling prices (as in Taiwan).

To allow transfer of capital and profits to foreign countries.

—To propose to the state (and the Ministry of Foreign Trade) to place the lists of chemicals, dyes, equipment, spare parts, and secondary materials for making clothes in the protocols signed with other countries under the heading of import of materials for on-contract orders, instead of under the trade heading, so as to make these countries responsible for delivering materials in accordance with the needs of on-contract production of export goods. At present, because other countries deliver materials that fail to satisfy our needs, we have to spend dollars to import even very common materials, such as sodium bicarbonate.

—To increase economic cooperation with socialist countries, first of all the Soviet Union, as the basic factor to determine the speed of our country's industrialization. In the years of 1981-1984 we exported to the Soviet Union a total of 866.5 million rubles. But we imported from the Soviet Union 3,466.9 million rubles, with 83 percent being such important materials as machinery, equipment, oil and grease, sheet steel, chemical fertilizers, cotton, and so on. The state should soon adopt policies that encourage our production installations to take part with the Soviet Union in producing export goods.

To have trade relations with the countries outside of the socialist system is only secondary in order to import as a supplement some materials and odd equipment we need. The experience of Bulgaria and even our own experience indicate that it is very difficult to import spare parts for the complete equipment bought from nonsocialist countries. As an immediate thing to do we must try to export ready-made clothes to fill all of the quotas granted to us by West Germany and Sweden.

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SOCIAL

Press Lauded For Uncovering Corruption in Thanh Hoa

42090163 Hanoi DAI DOAN KET in Vietnamese
2 Apr 88 p 5

[Article by Thai Duy: "An Abscess Has Been Lanced"]

[Text] As expressed in the press, public opinion has greeted approvingly the 8 March 1988 notice of the Secretariat of the VCP Central Committee, which presented conclusions about the negative phenomena in Thanh Hoa. Beginning with the initial article in the journal TUAN TIN TUC on 13 September 1986, which began a prolonged 18-month struggle, large numbers of readers all over the nation have read articles in the central press organs, such as TIEN PHONG, LAO DONG, PHU NU VIET NAM, TUAN TIN TUC, VAN NGHE, NGUOI GIAO VIEN NHAN DAN, the Voice of Vietnam, and the central TV station, and realize that cases of corruption, such as that involving Dang Dinh Tam, and the vengeance against the student Le Huy Chung, are not unique or isolated, and that although their degree of severity varies they are similar to the negative incidents which occur in their own localities. The situation became even more complicated when the standing committee of the Thanh Hoa provincial party committee, in accordance with guidance from Ha Trong Hoa, secretary of the provincial party committee, used two consecutive issues of the provincial newspaper (8 November 1986 and 12 November 1986) to concentrate on attacking newspapers, stations, and a number of central-level organs, and called the newspapers which denounced negative incidents in Thanh Hoa "lackeys of the class revanchists and of the Beijing expansionists." The office of the provincial party committee sent copies of those two issues to a number of provincial and municipal organs all over the nation.

The struggle became increasingly fierce and caused many difficulties and losses of money and property, but it still was not possible to expose the true nature of the degenerate people in authority in Thanh Hoa.

After the Sixth Party Congress, when he was elected to the Central Committee and was elevated from a candidate member to an official member, comrade Hoa did not in the least respect public opinion, as expressed in

articles published in TIEN PHONG, PHU NU VIET NAM, TUAN TIN TUC, and NGUOI GIAO VIEN NHAN DAN, which uncovered a number of negative incidents in Thanh Hoa, including matters related to comrade Hoa himself.

Once his authority had been consolidated, he became increasingly subjective and continued to exercise leadership in the old way, did not rely on the collective, and was dogmatic, especially with regard to cadre organization. The editor-in-chief of the newspaper THANH HOA, who found it difficult to do as he was told, was forced to retire even though he was still of working age.

The standing committee of the Thanh Hoa provincial party committee issued Resolution No 07.ND/TU, dated 20 June 1987, in which the party committee secretary defined three categories with regard to which the masses must be encouraged to set up management lists, including "cadres and state personnel who have been disciplined, are dissatisfied, and make trouble." When analyzing the three opposing forces requiring management, the Thanh Hoa leadership also mentioned "people who ally with bad press correspondents."

A number of crude acts occurred in Thanh Hoa because there had never been democracy there. After the Sixth Party COngress, the atmosphere was suffocating and anyone who could not hold his tongue could easily be classified as an opposing element. A number of older cadres had to restrain themselves so that they could "land" safely (i.e. when they retired). Hierarchy and order were still characterized by feudalism and paternalism and were merely a matter of being obedient. If someone was not liked, his personal history would be gone over carefully several generations back so that he could be gotten rid of bureaucratically, or else some people would pretend to have solid standpoints and a strong party nature to accuse others of being class enemies and having incorrect viewpoints. We have come to understand even more clearly why good party members and members of the masses at times had to temporarily remain silent and refrain from speaking out when they saw that something was wrong. They could only await an opportunity and only secretly supply information about the degenerate officials to reliable people and organs, including the media. Sometimes they must be aloof and subtle, although they are also full of surprises, and contribute frank opinions to people who are easily won over then they are received and offered wine, such as in the following story, which took place in a hotel in the province.

A hotel worker whispered in a guest's ear: "Only if you had the time to visit the villages and hamlets could you learn a lot about my province."

A comrade who learned of that gleefully said, "When there are still such lovable people in the very 'inner palace', Thanh Hoa has no shortage of good people." The public base of support in Thanh Hoa for loyal

people who dared struggle against degenerate authorities was very thin, for the provincial newspaper and radio station were completely controlled by Secretary Hoa and the people's forum in Thanh Hoa had been expropriated. At the very time when things were heating up, the Thanh Hoa National Assembly delegation, consisting of a number of high-ranking cadres, such as ministers, deputy ministers, etc, returned to Thanh Hoa to run for election and issued a notice replying to negative incidents in Thanh Hoa which covered up for degenerate officials and criticized the press. When they read that notice by delegates to the highest organ of authority, who had been elected by the people of Thanh Hoa, everyone was extremely disappointed and even more hoped for "outside aid" and concentrated on the central-level media.

Some newspapers at the central level published articles about negative incidents in Thanh Hoa that were only moderately serious, with the goal of alerting the leadership in Thanh Hoa, especially the secretary of the provincial party committee, about the deteriorating situation in a number of sectors in the province, and to contribute to awakening a number of cadres with authority who were preoccupied with bolstering their personal authority and had forgotten about their responsibility toward providing food and clothing for the people. Although they possessed specific information about many major, very serious negative incidents which was provided by the people, cadres, and party members in Thanh Hoa and by a number of responsible organs at the central level, some press organs still did not make it public and still believed that the Thanh Hoa leadership accepted legitimate criticism from the public and was determined to resolve the serious internal problems which had been prolonged for too long. That sincere desire had not been fulfilled. Clearly, they continued along their old path and were losing the people's confidence to an increasingly greater degree.

The journalists who participated in the struggle against negativism in Thanh Hoa were fully aware of their responsibility not to retreat before a very small group of people in authority led by Secretary Ha Trong Hoa, who had become degenerate and were still allowed to retain key party positions they had held for a long time, which increasingly affected the prestige of our party. The cadres under their control also sooner or later became degenerate because they were selected in accordance with their personal desires. Having actually visited in Thanh Hoa and met with all strata of people, a number of journalists listened to the extremely sincere, deep aspiration of the people that the party could fully understand the misery of the people, especially in the hamlets and villages, in which the Thanh Hoa leadership was very remote from the people and liked to brag about accomplishments more than respect the legitimate rights of the people. That is not to mention the loss of solidarity over a period of many years. Especially, within the leadership committee there continued to occur unimaginable losses. The

capable, virtuous cadres and party members were eliminated one after another. Under the present heated circumstances, the highest ranking leader in the province must be the center of solidarity, be exemplary, and restore order and discipline, but on the contrary he did not do his job well.

The media had to reenter the fray and disclose via newspapers, radio stations, or TV stations other negative incidents more serious than those they had to deal with previously.

In September 1987 TUAN TIN TUC publicized the case of "Cao Thi Lan the cheat" (so called by the people in the city because she often swindled people) and the improper relationship between her and Secretary Hoa. Also in September 1987 the newspaper TIEN PHONG publicized the improper arrest and imprisonment of the three brothers Ha, Hoa, and Phuong, who were accused of killing someone. The case of Cao Thi Lan the cheat especially caused everyone to have legitimate worry about the negligent leadership of the province. The case of Cao Thi Lan the cheat amazed a number of cadres, who dared not think that it was true, and some comrades concluded immediately that the press had made it up to smear comrade Hoa and the Thanh Hoa leadership, and that comrade Hoa could never have deteriorated so much in moral quality.

Because of the serious situation of bureaucratism and because they had been away from the basic level too long, they could not accept the reality of something they thought could not occur under our regime, the newspaper article "What Kind of a Night Was That?" caused some cadres to only become angry and not believe that in a village in Tho Xuan District, Thanh Hoa Province, there could occur such an incident of cornering the rice market. Faced with different opinions, the Secretariat made the correct and timely decision of forming an investigation group to go to Thanh Hoa to find the facts on the spot. The group was headed by comrade Tran Huu Duc, a member of the Party Central Committee and deputy head of the Control Department of the Party Central Committee. When the group went to Thanh Hoa on 29 September 1987, the Secretariat also called comrade Hoa to Hanoi to be interviewed. Because comrade Hoa was not present in Thanh Hoa, the activities of the investigation group were more effective and the cadres and party members reported more boldly. Even some of the cadres in the provincial party committee told the truth, which they had not dared reveal. The group persistently visited the organs and localities in the province and listened attentively to the cadres, party members, and masses, reported on the situation regularly to the Secretariat, and completed its work after 3 months. Comrades Do Muoi and Nguyen Duc, representing the Secretariat, went to Thanh Hoa to directly evaluate the report of the investigating group, along with the standing committee of the provincial party committee, after which comrade Nguyen Duc Tam went to meet with the

Thanh Hoa provincial party committee before issuing a notice on the negative incidents in Thanh Hoa, as reported by the newspapers.

That was a notable victory in the campaign to purify the party that is being carried out. An abscess on the body of our people had been lanced. The sound of the aggressors' guns in the Spratly Islands and the deceitful actions of the enemy, whose mouths speak of friendship but who kill our troops and continue to occupy the territory of our homeland, makes us even more determined to struggle against all negative phenomena and gradually restrict the losses caused by the degenerates, so that we can concentrate on manpower and materiel with which to counter the expansionist plot of some Beijing reactionary elements. The more pure and solid our rear area is the stronger our troops at the front will be.

The press contributed decisively to that victory and clearly, when it escaped from its old way of working and was not content with only illustrating, but mainly and continually closely monitored life to uncover the good and the bad, it effectively helped the dictatorial organs of the party discover negative phenomena and did not just wait until the court or the investigating organ reached a conclusion before commenting. If it only does so, the press will be very secure, and if a mistake has been made the other organs must bear responsibility. The victory against negativism in Thanh Hoa proves that our press correctly followed the path of the proletarian press, which is a sharp weapon of the party and must always stand on the front line of the struggle. It is both an assault force and an observer which, along with the dictatorship organs, uncover negative phenomena so that the party can promptly take effective steps to counter them. That is a difficult mission which is still new with regard to our press, so it is very difficult to avoid mistakes. The people who take the lead in renovation and struggle, like people who take the lead in wading through water, will have a difficult time avoiding pitfalls, but the mishaps of those in the vanguard will help those who follow avoid misfortune.

The part concerning the deficiencies of the press in the Secretariat notice which reached conclusions regarding the negative incidents in Thanh Hoa is a very useful reminder to all journalists and all press organs which participated actively in the struggle against negativism in Thanh Hoa. When recapitulating the victory it is an accurate basis on which to review the mistakes.

As a journalist who did not participate in that struggle, I recommend that the Journalists' Association hold a seminar on the role of the press in opposing negativism in Thanh Hoa, which will provide a good opportunity for improving the professional skills and strengthening the ideological standpoints of people who are journalists for the party.

Writer Urges Hatred of Social Evils
42090154 Paris DOAN KET in Vietnamese
Feb 1988 p 43

[Article by Tran Bach Dang]

[Text] A young friend in Dac Lac wrote me a moving letter about the case of the youth Nguyen Manh Huy and posed the question: youths struggle fiercely to defend the right of youths to attend school, but what about adults? Another young friend from Tan Bien in Tay Ninh asked a similar question.

I cannot, and do not have the legal right to, represent the so-called "old generation" in replying. I would like to reply as an individual, in a newspaper article at the beginning of spring, in an open letter to those of you who are concerned about cases similar to that of Nguyen Manh Huy.

First of all, I want to relate an instance with which I am familiar and about which I wrote an article—that of the youth Vu Duc Khoi, who "violated school rules" because he took exams to enter two schools and was admitted to both. He chose the School of Pharmacy and was expelled after studying 2 years. Many people rallied to help him—the head of the Ministry of Colleges, Student Registration Department, the Education Department of the Municipal Party Committee, the heads of both schools he had taken exams to enter, a deputy minister of the Ministry of Public Health, and a deputy minister (now the Minister) of the Ministry of Colleges. But another deputy minister of the Ministry of Colleges (who fortunately has just been dismissed because of misconduct in student recruitment) coldly refused, so Khoi has had to remain at home for 3 years! The reasoning for the refusal was in essence similar to that of an unprincipled doctor toward a dangerous disease: the patient did not meet the hospital's requirements! The rules of the Ministry of Colleges state that anyone who takes entrance exams to two schools is disqualified from studying, and the rule had to be enforced.

I am not acquainted with Khoi and wouldn't even recognize him, but only received his plea for help. I've heard that the new Minister of Colleges—Comrade Tran Hong Quan—has already resolved the incident. Perhaps, on this occasion, we should thank the comrade Minister, for at least he has given society a concrete reason for keeping faith.

We all know that rules are not set by the Jade Emperor, but by ourselves. They are mortal and can be changed, not of course by us but by the people who made them.

The underlying reason, it is painful to admit lies elsewhere. What rules allow the altering of students' test scores so that they can study in the Soviet Union? You surely read in the newspaper CONG AN THANH PHO HO CHI MINH the report of the committee investigating the Ho Chi Minh City Normal College. Perhaps we

are not satisfied by the evaluations and recommendations of the investigating committee with regard to the matters mentioned in its report. They do not rate as a rather serious violation, but concerning another matter, they dared change not only the rules of a ministry but also their conscience, which is very disturbing.

I'm a little "shocked" over the case of the youth Nguyen Manh Huy because I know that the key leadership comrades of Nghia Binh Province, such as the secretary of the provincial party committee and the chairman of the provincial people's committee, are people who want to do the right thing. But while I was writing this article another incident occurred in Nghia Binh and was reported by the newspapers DAI DOAN KET and NGHIA BINH, about bullying which developed into the crime of a barbarous murder, in the style of the American commandos: a house was burned, a person was stabbed to death, and another's hands were tied and he was led away, his guts hanging out, to be buried alive. There were 15 murderers. Who were they? The vice chairman of the village people's committee, the head of the hamlet militia, etc. Even so, a plenary conference of the village party committee recommended the condemnation of the murdered family for all sorts of reasons, the most humorous of which was that the family was not ardent in opposing the Americans!

I read an article in TUOI TRE three or four times and was perplexed: when did that incident happen? During the puppet period? It occurred during the night of the 10th, and early morning of the 11th, of May 1987. Where did it occur? In a dictatorial monarchy or a fascist country, or in an occupied area such as the West Bank of the Jordan in Palestine? No, the location was Vietnam: Cuong Luong hamlet, Hoa My village, Hoai Nhon District, Nghia Binh Province. Who were the victims, reactionaries or hooligans? No, the person who was killed was a second-year student at the Physical Education Higher School, who on the following day was to set out for the Soviet Union, and the person who was buried alive was a ninth grade student.

Cruelty still angers us. The incident in the "kingdom" of Nghia Binh was not the only one. In Precinct 8 of Ho Chi Minh City there was also a party member who threw his party membership card on the table and said, "I am a party member and have the right to hit you." The party member, a subprecinct vice chairman, really did hit and bloody the nose of a youth. In Minh Hai there was an incident in Vinh Thuan village in which the village party secretary committed rape and theft. It took nearly a year to reach a conclusion, clearly the case was prolonged because the criminal was protected! When a conclusion was reached the criminal disappeared. That was not all. The newspaper MINH HAI brought out the case of a public security 2d lieutenant who was shot to death because he uncovered a plot to organize an escape by sea in exchange for gold. The person who shot him was captured immediately, but although the regional military court recommended that he be tried he was not, for the

murderer had been paid by someone and a number of depraved "bosses" had intervened to delay the proceedings until they were forgotten about. The "8-year trial" has not been held openly and the widow has knocked on all kinds of doors but has run into obstacles, so justice has had...to wait.

I do not intend to list all the bad things—of which there are many more. I would like to return to the subject of this article.

In fact, all people of good will all over the nation know that there still exist in our society an evil which must be eliminated as soon as possible. It is not only dependent on the level of economic and cultural life, but is the product of power and bureaucratism, of special privilege in the name of socialism and in the guise of party organizations. Of all the things which sabotage our ideals and regime, the most dangerous are those "in the name of" and "in the guise of."

Recently, the public was allowed to learn of parasites, of terrible nests of germs within our vital organs, not on the skin but in our liver, heart, lungs, and nervous system. I stress the words "were allowed" because that requirement must go side-by-side with the requirement of national construction from the beginning. The encouragement of the truest love must be combined with condemnation of crimes—a distinction that is very easily discerned in reality but has been obscured by a vague attitude to the point that the dishonest become honest and the honest become dishonest. Of course, since the Sixth Party Congress light has been shed on a number of nooks and crannies, and that is a tendency that cannot be reversed, because renovation can never achieve strength if the most sensitive aspects of life are not renovated.

Knowing how to hate is as important as knowing how to love. Hate bitterly, hate until you hate deeply, hate until you gnash your teeth and your eyes spurt blood, and hate until they are "dead and buried," whatever betrays or

trods underfoot socialism, so that you can love, love warmly and ardently, love sincerely and until it shakes your body and soul, the stature, hair, smile, and voice which generations of Vietnamese have deeply desired and have been determined to attain, even at the cost of their lives. All that is integrated in a single form. The intensity of love is reflected in hate and vice versa.

We—the older people—are enthusiastic over youths, most if not all of them, who know how to love and hate in the present bitter struggle.

Perhaps truth cannot be restored in the blink of an eye. But the weapon for restoring truth has begun to have effect.

It was not strange that even by the beginning of 1988 there were still many currents running counter to the tendencies of renovation, glasnost, and democracy. Thus the backward elements understand that an opening can be further developed and that the laws of socialism are as correct as a steamroller weighing thousands of pounds which crushes all weeds in its path.

Proof is that if it were not for Resolution 6, the cases of Nguyen Manh Huy, Hoai Nhon, and tens of thousands of cases which we know about or will know about, could only be discussed within the families, and can only be complaining about one's lot, as it has for a thousand years.

To my two young friends who wrote me letters, I give the following advice: you must continue to pay the price for social justice and virtue, but the highest price we must pay is that we must renovate coercion.

We must know how to love and hate. We must love and hate with great intensity! I would like to wish a happy new year to all of our young Vietnamese friends.

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