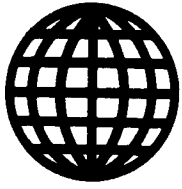


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# ***JPRS Report***

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## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

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### **United States Asked To Review Decision To Close PLO Office**

42000294c Jakarta ANTARA NEWS BULLETIN in English 18 Mar 88 p A 6

[Text] Jakarta, March 17 (ANTARA)—An Indonesian moslem leader has asked the United States government to immediately review its decision to close down the office of the Palestine Liberation Organisation at the United Nations in New York.

"The decision is also grossly opposed to the 1947 accord concluded at the United Nations Headquarters in New York," said the Chairman of the Palestine and Aqsha Mosque Liberation Assistance Committee, Lukman Harun, who is also Vice Chairman of the Muhammadiyah executive board.

With the decision, he added, the United States has once again shown the world how strong the influence of Israeli Zionists is in the United States.

Lukman Harun also indicated that it is Israel which is at present the world's number one terrorist country.

Israel with its troops and equipment had brutally killed Palestinians, including children and women, in its occupied areas in Gaza, the West Bank and in South Lebanon.

"If the United States is truly against terror, it is the Israeli Representative Mission in the US, and not the PLO office, that must be closed down. Likewise should the United States as champion of basic human rights help the PLO struggle, rather than the Israeli terrorists," Harun said.

08309

### **AAP Analyzes New Cabinet**

42000297c Port Moresby PAPUA NEW GUINEA POST-COURIER in English 23 Mar 88 p 4

[Article by James Dallmeyer of Australian Associated Press (AAP) who earlier this month was granted a one-year visa to report from Jakarta, ending a ban of several years' standing on Australian journalists covering Indonesian affairs from within the country.]

[Text] Manila: Indonesia's President Suharto has replaced half of his cabinet ministers to form a new government that most analysts hope will be mildly reformist.

The president, who was re-elected unopposed for his fifth consecutive five-year term earlier this month, came up with few surprises in a cabinet he stressed was chosen to maintain continuity while bringing younger men into top positions.

Of the 19 ministers who were replaced, most had reached the age when they were looking forward to retirement, among them Foreign Minister Dr. Mochtar Kusumaatmadja.

Dr Mochtar has been regarded in Australia, rightly or wrongly, as a friend who tried to repair the damage done by a SYDNEY MORNING HERALD article which showed President Suharto and his family in an unfavorable light.

The article seriously harmed relations between Canberra and Jakarta.

The man chosen to try to repair that damage is a former editor and former ambassador to the United Nations Ali Alatas.

His approach to Australian relations is likely to be dictated from on high.

The major player in the souring of relations between Australia and its giant northern neighbor was the then armed forces commander General Benny Murdani, who lost his position late last month in a surprise move by President Suharto.

As predicted by many analysts, Murdani has been given the Defence Ministry, a position which, ironically, he largely stripped of its power during his tenure as army commander and intelligence chief.

Murdani still holds a powerful role as intelligence chief, but few analysts believe he will retain it for long.

The popular view in diplomatic circles is that he has had his wings clipped by a president noted for his dislike of rivals in a military that plays a vital part in the government of the nation, through its dual role as security enforcer and socio-economic developer.

Analysts agree it would be wrong to think General Murdani is a spent force since he still commands considerable influence in both the military and the government.

"He's the kind of man who can turn a position that appears to carry no power into a position of power," one western diplomat told AAP recently.

Local observers say President Suharto could be once again playing off Murdani against his recently elected Vice President, former State Secretary Sudharmono.

The men are known to be rivals, and have monopolized power in the government for the past five years.

Both are seen as potential successors to a president most agree is in his last term of office.

To slap them both on the wrist at this juncture would be a real test of character, especially if they have residential aspirations.

As expected, President Suharto has stuck to the tried and tested economic ministers who brought his government through the economic crisis that assailed his oil-dependent nation after the world oil price slump.

07310

**Air Agreement Reached With New Zealand**  
*42000299f Jakarta ANTARA NEWS BULLETIN in English 24 Mar 88 p A5*

[Text] Jakarta, March 23 (ANTARA)—An agreement for direct air services has been reached between Indonesia and New Zealand following government-to-government discussions in Bali on March 10 and 11, it was learnt here Wednesday.

The New Zealand Embassy told ANTARA here that under the agreement, both national carriers will be entitled to fly twice weekly without stopovers.

07310

**Sudharmono Proclaims Golkar's 3-Point Program**  
*42000294b Jakarta ANTARA NEWS BULLETIN in English 18 Mar 88 p A 1*

[Text] Jakarta, March 17 (ANTARA)—Vice President and Chairman of the Functional Group Golkar Sudharmono SH proclaimed the second of Three Tasks of Golkar Thursday evening after the first of Three Tasks of Golkar has been accomplished as shown from the success of the 1988 General Sessions of the People's Consultative Assembly (MPR).

The second Three Tasks of Golkar are the internal consolidation, the participation in development programs, and a successful execution of the 1992 General Elections and the 1993 MPR General Sessions, said Sudharmono in his address at the ceremony marking the 12th anniversary of Supersemar (the March 11 Executive Order) at the Senayan convention hall here.

By carrying out successfully the MPR General Sessions, it means that the first of Three Tasks of Golkar has been successful, but it does not mean that we can just relax, said Sudharmono.

On the contrary, with the completion of the MPR General Sessions, the Golkar will start new efforts to implement the results of the MPR General Sessions, he added.

The ceremony of the Supersemar anniversary was attended by some 6,000 members of Golkar who were thankful that the Golkar chairman, Sudharmono, was elected as vice president to accompany President Soeharto for the 1988-1993 office term.

08309

**BUSINESS NEWS Comments on New Cabinet**  
*42000299a Jakarta BUSINESS NEWS in English 25 Mar 88 p 2*

[Editorial]

[Text] The most important event this week, even this year, is the presence of a new cabinet. Naturally this event invites a lot of comments in society. Hence several additional notes are presented here with regard to the composition of the new cabinet.

Firstly, the three coordinator minister are replaced. Is this a consequence of the policy of rejuvenation? In the economic sector, a home assignment is not yet completed but it is very important, namely deregulation. So a great expectation is directed towards the Coordinator Minister for Ekuin (economic, financial and industrial affairs). A saying goes, "new brooms sweep clean".

Secondly, of the economic team originating from the University of Indonesia which in 1967 initiated various strategic reforms, only Prof. Emil Salim is retained in the cabinet. The original economic team was led by Prof. Widjojo Nitisastro, a Doctor of Berkeley. Five years ago he was replaced by Prof. Ali Wardhana, also of Berkeley. Now the Coordinator Minister for Ekuin and Development Supervision is Dr. Radius Prawiro, a graduate of Rotterdam. The Minister of Finance has earned his title from Pittsburgh, the Governor of Bank Indonesia from Wisconsin, and the Minister of Trade from Munster, West Germany. Does it mean that the "Berkeley Mafia period" is over? If such a question is jokingly raised, it is fundamentally irrelevant. For twenty years the original backgrounds of education have merged and fused in the experience of implementing four Repelitas (five-year development plans). Economic policy coordination under Radius Prawiro is apparently as safe as that in the hands of Ali Wardhana and Widjojo. One is also aware that Widjojo has over the last five years still been very active and influential behind the screen. It is believed that both Widjojo and Ali Wardhana will continue to play an important (? role) in the background. The two figures are renowned in the international economic and financial scene, so that their involvement will constitute an "additional guarantee" for Indonesia's creditworthiness.

The opportunity to play a part is now given to those relatively younger figures of the "Bappenas camp". It is a normal process of regeneration. Will this generation be equally effective? They should prove it themselves.

The new ministers should also be sensitive to the new demand of the times. For instance, the government role relatively decreases and the part played by the private sector is (expected to be) increased. Many people say that Thailand's present economic progress results from the more dynamic and aggressive private sector in that country, whereas its government serves more as a guarantor of a "business climate" which promises certainty, stability and freedom. Can the new economic ministers in Indonesia perceive the new demand of the times and will they be more communicative?

The economic ministers and junior ministers mostly come from the "Bappenas rank", which has for a long time been under the leadership of very charismatic seniors. These "juniors" should some day develop their own "elan", their own confidence, and for this purpose a kind of "courage to be self reliant" is required, naturally without abandoning teamwork, because it constitutes the "trade mark of the economic team".

The basic problem being faced by the cabinet in the economic sector is already known, i.e., the follow-up of economic restructuring and deregulation. The most important aspect is policy reforms, which have to be politically introduced by the government, which means the level of the President and his chief assistants. However, the problem which is equally difficult, possibly even more difficult, involves the total change of the bureaucratic attitude and orientation, from a rigid and interventionist attitude with vested interests to an open, pragmatic and less interventionist one, as desired by the government itself. Bureaucracy will everywhere in the world be slow in introducing reforms, and will depend on the strength of political leadership from above, whether such reforms can be successful or less so. Donor countries and multinational institutes of finance, such as the World Bank, will also urge the continuation of deregulation. The art of executing the jobs of economic ministers lies in the utilization of all opportunities and aid, the latter being some program loans, for instance.

Lastly, a small note is worth adding. The public has for some time talked about the presence of a "tug-of-war" or a war of influence between "economists" and "technologists". The composition of the new cabinet does not indicate any loss on the part of economists. But in fact the rumour of "technologists vs. economists" is false. Minister Hartarto is a technologist, but he also understands Indonesia's needs, namely the promotion of non-oil/gas exports, of efficiency and productivity, of deregulation in licensing, and focussing of priorities.

07310

**Nomination of New Irian Jaya Governor Analyzed**  
42000297a Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 11 Mar 88 p 11

[Article by Franzalbert Joku]

[Text] The commissioning of the new Governor of Irian Jaya is among the first important round of official

engagements for President Suharto after he formally resumes the presidency today for his fifth five-year term.

Forty-two-year old Bas Suebu, a native of Sentani in the Jayapura District which borders West Sepik, is the official candidate for the governorship following his election in the provincial assembly, Dewan Perwakilan Rakyat (DPR) on February 20.

Mr Suebu's candidacy for the province's highest and most powerful political post is being recommended to the Minister for Home Affairs in Jakarta by the Irian Jaya DPR and is expected to gain the presidential ratification early next week before the provincial assembly can swear him into the job on March 20.

The assembly was obliged to find a replacement when Governor Hindom, shortly after being sworn in for his second term last November, decided to step down.

However, on closer look at the Indonesian politics at the present time and the central government's plans for the future, Hindom's exit from power to make way for Suebu's rise to the top of the provincial hierarchy are not accidental. As a senior Jayapura bureaucrat put it to me following Suebu's election last month: "Bas is the right man for the right job at the right time."

His appointment must then be viewed in the light of Jakarta's current "regeneration process" as older leaders, most of whom belong to the group known as the 1945 generation which fought the Dutch in the war of independence, prepare younger men to take the country into and beyond the year 2000.

And for Jakarta strategists and other decision makers, how socio political and economic development of Irian Jaya is handled is of crucial importance and must be given special attention. Owing to its own political history, the province, like East Timor, not infrequently attract international attention. And at times this adversely affects the Indonesian national image—and it is these considerations that concerns Jakarta most.

Bas Suebu is therefore a consensus candidate to head the administration in Irian Jaya from this point onward. He is supported by most political and other groupings in the province, the central government, the ruling Golkar Party to which he also belongs, and not the least the military.

Since his entry into the provincial politics straight from student activism in 1977, Suebu has successfully built up a solid political base for himself.

On being elected to his second five-year term to the provincial legislature in 1982, he took over the chairmanship of the assembly and in mid-term (1984) inherited the leadership of Golkar in the province. He is also

the chairman of KADIN (Kamar Dagang Indonesia), the Indonesian Chambers of Commerce in Irian Jaya. All these positions, however, will be up for grabs after March 20.

Mr Suebu is expected to serve only one term as governor before taking up a Cabinet post in Jakarta after 1993. During his tenure, the central government's plan to eventually split Irian Jaya into three separate provinces will be a major undertaking. He will be assisted in the task by the new vice governor, Mr Pujona Pranyota, who was sworn in last November.

07310

### **Energy Minister Believed Facing Pressures on Oil Prices**

*42000297b Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 23 Mar 88 p 35*

[Text] Jakarta: Indonesia's new Mines and Energy Minister Ginandjar Kartasasmita will face strong pressures to match price discounts being offered by other OPEC producers, particularly to Japan, oil-industry sources said yesterday.

Ginandjar, a 46-year-old Tokyo-educated martial arts enthusiast who was formerly head of Indonesia's Investment Board, was appointed Energy Minister in a new Cabinet announced by President Suharto on Monday night.

Industry sources said his immediate priority would be to review Indonesia's pricing policy, especially for Japan, its main consumer, in line with discounts being offered by some other members of the Organization of Petroleum Exporting Countries (OPEC) in a glutted market.

Outgoing Energy Minister Subroto said last week Indonesia was resisting pressures to offer discounts to Japanese customers, but industry sources said some affiliates of the state oil company Pertamina had already offered Asian buyers one brand of crude below official prices.

Commenting on the cabinet changes, the JAKARTA POST said in an editorial that it would watch with interest whether Ginandjar would be more assertive in defending Indonesia's interests in OPEC meetings.

"Or, perhaps, when the need arises for the sake of Indonesia's interests, whether he will feel less inhibited in interpreting OPEC decisions on pricing and production quotas in a more liberal manner," it said.

Ginandjar will take over Subroto's position on OPEC's five-man pricing panel, which is closely watching markets and considering action to shore up falling prices.

Indonesia has favored production cuts rather than price discounts to counter falling prices since the December OPEC agreement, which fixed a reference price of US\$18 a barrel.

Indonesia has begun negotiating incentives with foreign oil companies to boost sluggish exploration amid concern that new discoveries are not matching present extraction rates, Indonesian energy officials said.

But a bright spot is the mining sector, with Indonesia forecast to become a major gold producer over the next decade.

Indonesia has signed 103 gold exploration contracts in the past two years, mostly with Australian joint ventures, and Subroto forecast that production might hit 100 tones within 10 years, against around six tones this year.

07310

### **Indonesian Development Bank Issues New Bonds**

*42130107 Jakarta TEMPO in Indonesian  
19 Mar 88 p 90*

[Text] The usually quiet capital market in Jakarta has apparently gained new strength this year. The first thrust came from the Indonesian Development Bank (Bapindo) on Monday when the government bank issued new bonds worth 60 billion rupiah. According to chairman of the Stock Exchange Executive Board (Bapepam), the Bapindo bonds were processed in a new climate created by the government through the 24 December deregulation.

"The request to issue the bonds was submitted to Bapepam on 23 February 1988, and the permit was completed today, 9 days before the 1-month deadline," Bapepam chairman Prof Barli Halim said proudly. This is certainly a result of deregulation. The issuance of the Bapindo bonds represents the third wave, following the first wave in April 1983 (25 billion rupiah) and the second wave in August 1986 (50 billion rupiah).

At Bapindo Monday morning, J.A. Sereh, former president director of the National Investment Trust (PT Danareksa) handed over his office as chairman of the Association of Money Securities Traders (PPUE) to Bapindo financial director Syahrizal. "This transfer of office has special significance because PPUE is a private institution that will manage a new stock exchange called OTC," said the Bapepam chairman. According to plans, OTC, which is also called parallel exchange, is to begin operations at the beginning of April.

As stated by Barli, OTC is a fast-developing stock exchange overseas. The reason is that the requirements of issuance and shares trading are more simple and are not restricted to the exchange floors. "The more so due to the technological advance in the form of a sophisticated informatics industry," he said.

Furthermore, several support organizations, such as the Securities Administration Bureau and Custodian Bank, are needed to reduce fraud. To reduce risks for investors, members of a stock exchange need to promote a compensation fund like the one maintained by Danareksa for the Cibinong cement plant.

Computers, a main OTC equipment item, have not been purchased however. "Furthermore, most managers hold two positions, devoting probably 75 percent of their time to their own offices, and only 25 percent to PPUE. Today is 14 March, and we are trying to have OTC run according to schedule, said Syahrizal, inviting people to a meeting at Bapindo that morning.

The first shares to be sold at OTC to some private companies, are probably Bapindo shares. Syahrizal also mentioned at least two private companies: an affiliate of PT Pembangunan Jaya and Astra International. According to one source, a Jaya Group company is to sell its shares is PT IRTI which manages Taman Ria. According to Barli, the Astra group is interested in issuing bonds, but it is not clear who will start to do so.

Bonds sold at the stock exchange so far belong to state companies (BUMN's). The majority of buyers are also BUMN's, such as the Government Workers Savings and Insurance Fund (Taspen), and retirement funds of the Central Bank and other government agencies.

There seems to be an unwritten law forbidding those retirement funds from buying bonds issued by private companies such as Astra. "Therefore, when Astra said they intended to sell bonds we asked if they expected Taspen to buy them. They said no. Maybe they have their own buyers in mind," said Barli.

According to regulations, dividends and interest from bonds distributed at the stock exchange are taxable unless the bonds are owned by retirement funds recognized by the finance minister. "As far as I know, there were only 70 retirement funds recognized by the finance minister. There are 100 now. Maybe some of the 30 new ones are under Astra," said Barli.

Meanwhile, PT Prapatan, which owns Hyatt Aryaduta Hotel, is the first company to take advantage of the new climate. Saleh Soeryadjaya who is in charge of shares at PT Prapatan, admits that 4,174,114 new shares or approximately 33 percent of all Prapatan's shares, will be sold to the public. The B.M. Diah family who owns Hyatt, intends to release 45 percent of their shares; about 12 percent, or 1.46 million shares, have been sold earlier.

Said Saleh: "Shares of the first issue cost 1,050.00 rupiah each. The value of those of the second issue is still being discussed with PT MIFC which will guarantee the issue."

Aryaduta Hotel has recently been renovated. The renovation costs which had been budgeted at \$20 million, increased to about \$25 million. Due to its debt the company has been unable to pay dividends in the last 2 years.

The sale of shares is intended to, among other things, restructure Prapatan's debt which amounted to 29 billion rupiah in 1986. It is hoped that if the debt is transferred to the public, the hotel, which was designated a five-star hotel in December, 1987 and is managed by the Hyatt company in the United States, will be able to make profits and distribute dividends.

Some investors including a woman with an MBA degree who intends to buy 50,000 shares worth 100 million rupiah, seem to be interested. Capital gain is apparently their objective because the Prapatan shares will probably be priced as much as twice their current value.

Nevertheless, according to Barli Halim, most investors are interested in dividends and interest on bonds. Therefore, it is feared that taxes on dividends and interest will hamper the capital market. It is not surprising that Barli Halim and managers of money and securities trading companies, such as Danareksa executive director R. Soebagyo and PT Merincorp president director C.M. Djoko Wibowo, hope that the government will issue follow-up capital market deregulation orders which among other things, will grant tax exemption.

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**ADB Aid for Coal Use Feasibility Study**  
42000294a Jakarta *BUSINESS NEWS in English*  
11 Mar 88 p 4

[Text] Jakarta (Business News)—Indonesia's plan to shift gradually from a hydrocarbon-based energy economy to one which increasingly utilizes all economically available non-hydrocarbon energy resources, especially coal, will be supported by a \$350,000 technical assistance grant approved recently by the Asian Development Bank.

Coal use in Indonesia is expected to increase substantially, mainly due to the setting up of new coal-fired thermal power plants and the conversion of cement plants from oil to coal.

The Bank's technical assistance, which will cover the foreign exchange cost of a feasibility study of Institutional and Manpower Development in the Coal sector, is expected to result in a three-part project.

08309



**ADB Loan for Irrigation Project**

42000200c Jakarta ANTARA NEWS BULLETIN in English 13 Mar 88 p A7

[Text] Jakarta, March 13 (ANTARA)—The Asian Development Bank (ADB) has provided US\$85 million to finance an irrigation project in the Simalungun regency, North Sumatera.

The bank's loan will be used to finance a study for the preparation of the project, technical planning, the construction of an irrigation network and training for project personnel, the spokesman of the Public Works Ministry said here Saturday.

Two ADB experts, Dr Chul Choo Lee and Brian Young, inspected the project recently and held discussions here with officials of the Directorate General for Water Resources Development and the Directorate General for Food Planning.

07310

**Pertamina Signs More Profit-Sharing Contracts**

42000299e Jakarta ANTARA NEWS BULLETIN in English 15 Mar 88 p A1

[Text] Jakarta, March 14 (ANTARA)—Pertamina, the state oil company, has concluded profit sharing contracts with Esso Musi Inc. and Mobil Musi Inc. and with Esso Java Inc. and Mobil Rembang Inc. here Monday.

The two contracts are based on a joint operation agreement which covers the mining concession area of Pertamina, while Esso Musi and Mobil Musi Inc. operate on 1310 square kilometers of land in Musi and Klingi (South Sumatera).

Esso Java Inc. and Mobil Rembang Inc. operate on 8190 square kilometers of land in Tuban, East Java, with Pertamina acting as operator with the assistance of contractors.

The funds for the explorations and developments will be provided by the contractors.

Minister Subroto said the profit sharing contracts signed today are the 13th and the 14th since the new tax law went into effect in 1984.

07310

**Banking Deregulation To Continue**

42000299g Jakarta ANTARA NEWS BULLETIN in English 27 Mar 88 p A5

[Text] Jakarta, March 27 (ANTARA)—The Chairman of the Indonesian Chamber of Commerce and Industry (Kadin), Sukamdani S. Citosardjono, said here Saturday that Kadin hails the statement of Central Bank Governor Prof Dr Adrianus Mooy to continue deregulation in the banking field.

Sukamdani made the remark in response to the statement of the new governor of Bank Indonesia after he officially received the new post from his predecessor here recently that the bank will not deviate from the orientation of deregulation which started in 1983.

The determination of the Central Bank governor to maintain the orientation of the deregulation step in the banking sector in the coming five-year period constitutes a fresh wind for the business world, the Kadin chairman said.

With the rise of Indonesia's non-oil/gas exports, Indonesian producers must be able to make their commodities more competitive on the world market, he said.

Therefore, the banking deregulation should be followed by debureaucratization steps to shorten the banking service line for the extension of credits required by businessmen, he added.

07310

**Larger Corn Imports Called Possible**

42000299d Jakarta ANTARA NEWS BULLETIN in English 14 Mar 88 p A1

[Text] Bandar Lampung, March 14 (ANTARA)—Director General of Food Crops Dr Muin Panbinru stated that possibly Indonesia will have to import no less than 700,000 tons of soybean if farmers cannot step up their production or expand their land.

Indonesia today imports around 400,000 tons of soybean per annum, he said Monday when witnessing a soybean and sweet potato harvest in Margakarya village, South Lampung, which resulted in 2.5 tons production per hectare.

He said the production could have been bigger than 2.5 tons per hectare because last year's production had reached no less than 3 tons per hectare.

Such a declining output, he said, probably resulted from the planting of similar food crops on the same land for a long time.

In view of this, he asked farmers to carry out alternating planting system.

07310

**Editorial Discusses Need for 'Oil Diplomacy'**  
*42000299b Jakarta BUSINESS NEWS in English*  
*28 Mar 88 p 2*

[Text] Several days ago, soon after being installed to assume his new post, Minister of Mines and Energy Ir. Ginanjar Kartasasmita still indicated that Indonesia deemed it unnecessary to convene a meeting of the OPEC Production Monitoring Committee. In this case the new minister of mines and energy repeated the same statement already made by former Minister Prof Subroto previously (when he held the ministerial office).

But now it seems that the situation has changed. Last Wednesday OPEC Chairman Rilwanu Lukman of Nigeria announced that a meeting of the Monitoring Committee will be held on April 7 in Vienna. Minister Ginanjar will represent Indonesia at the meeting, and Prof Subroto will join him as an adviser. Concerning this issue, Ginanjar told newsmen here Friday that the Vienna meeting is aimed at reviewing the strategy of OPEC following the oil price slump lately. The review is based on the OPEC production audit in the first quarter of this year. But according to Ginanjar, it is not necessary for Indonesia to have a new OPEC production formula and benchmark price.

Meanwhile, Rilwanu Lukman's announcement on Wednesday regarding the meeting of the OPEC Price Monitoring Committee has slightly strengthened the oil price though only by tens of dollar cents. However, the price increase predictably will not last long, because it is believed that the meeting will not be able to do much to limit production so as to raise the oil price. What is obvious is that Iraq and Iran, now involved in an increasingly fierce war, cannot be prevented from further increasing their production because they need funds to finance the war. Saudi Arabia has also reportedly sold its oil with discounts, but this has been officially denied.

Non-OPEC circles meantime have also voiced their unexpected support to the policy on production restriction to maintain the oil price. A number of non-OPEC countries at their conference in London some time ago supported the intention of the OPEC Price Committee to maintain the price. These countries are Egypt, Oman, Mexico, China, Malaysia and Columbia. But Britain as the biggest producer of North Sea oil does not support this attitude and will continue to produce oil according to its needs.

Meanwhile, Indonesia has refused the request of Japanese buyers to lower its sale price from the official price referred to in the OPEC decision. Based on the OPEC benchmark price US\$18 per barrel, Minas oil has so far been sold at US\$17.56 per barrel. Minister Ginanjar in this context said that Pertamina has been instructed to maintain the price in the negotiation now being conducted by a team in Tokyo. Ginanjar is hopeful of the success of this effort because for Japan, Indonesian oil is a stabilizer. It means that Japan is expected to continue its purchase of Indonesian oil to watch out against the possibility of unstable supply from other countries as a result of the price fluctuation. How far such an expectation and strategy will be fruitful will naturally depend considerably on further price developments. The basic problem in this context is that the oil price reduction in recent years reflects a structural shift that apparently will not reverse. The biggest question mark is only; at what price level the process will reach the point of equilibrium. In this conjunction it depends on various factors that cannot at all be ascertained, such as the OPEC production, non-OPEC production (including socialist nations), the economic vigour in advanced countries and the international situation in different regions, which is now very unstable.

The above description shows how we should pay attention to a variety of factors in launching our "oil diplomacy" in the months to come. All this will call for neat coordination in order to enable the use of available "leverage" in various fields, including foreign policy, economy, trade and other areas. Furthermore, the promotion of non-oil/gas exports apparently is not so stable yet, as evidenced by the export data of January 1988. Non-oil/gas exports in January according to provisional data of the Ministry of Trade as published in the SUARA KARYA daily's Friday edition, are registered at less than US\$800 million compared with US\$957.5 million in December, US\$823.2 million in November, US\$867.7 million in October, US\$870.4 million in September, US\$800.2 million in August, US\$721 million in July and US\$758 million in June 1987. In fact it was originally expected that in 1988 non-oil/gas exports will exceed US\$1 billion monthly. It is hoped that starting March or April, non-oil/gas exports will again increase but this will obviously demand hard work under good coordination between the agencies and other parties concerned. This is a factor which must receive the attention of the fifth Development Cabinet.

**Finance Minister Daim Heads Mission to Iran**  
*42000298b Kuala Lumpur NEW STRAITS TIMES in English 1 Mar 88 p 22*

[Text] Iran hopes that better trade relationship with Malaysia will be established following the visit of Finance Minister Datuk Paduka Daim Zainuddin to the republic.

An Iranian embassy official said he is confident of a better bilateral trade relations "as the infrastructure and possibilities are there."

Datuk Paduka Daim leaves tonight with a nine-member delegation from the public and private sectors on a five-day economic and trade mission to Teheran.

His visit to Iran is on the invitation of the Iranian Minister of Economic and Financial Affairs Mohammad Javad Irevani. He is also scheduled to meet the Iranian Minister of Commerce, the Minister of Foreign Affairs as well as the Director-General of the Iranian Central Bank.

"With this visit, we hope any obstacle in promoting direct trade between the two countries will be removed and that new "trade agreements will be reached," said the official.

He said Iran gives priority in trading with other Muslim countries including Malaysia as well as the Third World and non-aligned countries.

The Iranian Institute of Standards is to study a PORIM report on palm oil for industrial as well as consumer uses, he added.

07310

**Reports of Support for Prime Minister Mahathir**

**National Front Parties**

*42130093d Kuala Lumpur BERITA HARIAN in Malay 9 Feb 88 p 1*

[By Sa'odah Elias]

[Text] Kuala Lumpur, Monday [8 February]—The leaders of 12 component parties of the National Front (BN) today met with Deputy Prime Minister Ghafar Baba to declare their undivided support for Datuk Seri Dr Mahathir Mohamad in his continuing leadership of the country.

Ghafar said the presence of the leaders was not at his invitation or the invitation of Datuk Seri Dr Mahathir but at their own initiative in order to pledge the firm support of all BN component parties to the prime minister.

"Although all leaders of BN components were there, their discussion of almost an hour was not as a session of the BN Supreme Council but as an unofficial meeting to enable them to state the views of their respective parties on the leadership of Datuk Seri Dr Mahathir," he told reporters following the meeting.

Component party leaders who attended were Datuk Dr Ling Liong Sik (MCA [Malayan Chinese Association]), Datuk Samy Vellu (MIC [Malayan Indian Congress]), Datuk Dr Lim Keng Yaik (Gerakan), Paramjit Singh (PPP [People's Progressive Party]), Wan Ismail Wan Ibrahim (Hamim), Datuk Wan Hashim Wan Ahmad (Berjasa), Datuk Joseph Pairin Kitingan (PBS [Sabah United Party]), Datuk Patinggi Taib Mahmood (PBB [United Conservative Bumiputra Party]), Tun Datu Mustapha Datu Harun (USNO [United Sabah National Organization]), Datuk James Wong (SNAP [Sarawak National Party]), Datuk Leo Moggie (PBDS [Dayak People of Sarawak Party]), and Datuk Amar Stephen Yong (SUPP [Sarawak United People's Party]).

Ghafar said their purpose in gathering in Kuala Lumpur was to meet the prime minister, but because he was busy with foreign guests at that time the component leaders asked Ghafar to express their support to Datuk Seri Dr Mahathir.

Datuk Pairin said in an interview that he had come to Kuala Lumpur especially to meet the prime minister to declare the full support of his party for Datuk Seri Dr Mahathir's leadership.

"As president of PBS and chairman of the BN in Sabah, I believe Datuk Seri Dr Mahathir's leadership must continue so that he can continue to guide the country for the good of all the people.

"This is not only my desire but the desire of all the people of Sabah, who chose the BN under Datuk Seri Dr Mahathir in the last election," he said.

He said everyone must realize that the technical problems UMNO [United Malays National Organization] is now facing do not in any way hurt the government or national stability.

Datuk Patinggi said the government of Sarawak is determined to keep Datuk Seri Dr Mahathir as prime minister in spite of the Supreme Court's ruling that UMNO is not legal.

He said the technical problem UMNO is facing now will not hurt support for Datuk Seri Dr Mahathir's leadership, for the Sarawak government holds firmly to the promises and commitments it has made.

### MIC Members of Parliament

42130093d Kuala Lumpur BERITA HARIAN in Malay  
9 Feb 88 p 1

[Text] Kuala Lumpur, Monday—The six MIC members of Parliament today signed a letter pledging united support for the leadership of Prime Minister Datuk Seri Dr Mahathir Mohamad.

They are MIC President Datuk S. Samy Vellu (member of Parliament from Sungai Siput), Deputy President Datuk S. Subramaniam (Segamat), Vice President Datuk K. Pathmanaban (Teluk Kemang), M.G. Pandithan (Tapah), S.S. Subramaniam (Hulu Selangor), and General Secretary D.P. Vijandran (Kapar).

In a press conference today, Datuk Samy Vellu, who is also minister of works and utilities, said the six MIC members of Parliament had decided in a meeting today to give their undivided support to Datuk Seri Dr Mahathir.

Datuk Samy Vellu presented their letter of support to Datuk Seri Dr Mahathir at the prime minister's office this afternoon.

"Our action was for the purpose of declaring in writing our unified support for Datuk Seri Dr Mahathir as prime minister. He has proved his leadership," he said.

Datuk Samy Vellu also is confident that UMNO leaders will be able through their "ability and maturity" to solve the problem the party is now facing.

He also does not expect any change or problem in the National Front (BN) because of the Supreme Court's ruling that UMNO is not legal.

"I am sure all BN components are of one mind in this matter and support the government's present leadership.

"We have met many obstacles in the last 30 years. I am sure the BN will last another 300 years," he said.

### Trade Unions

42130093d Kuala Lumpur BERITA HARIAN in Malay  
9 Feb 88 p 1

[By Nasir Hassan]

[Text] Kota Bharu, Monday—More than 500,000 workers in the private sector throughout the country stand firmly behind Prime Minister Datuk Seri Dr Mahathir Mohamad in his continued administration of the country.

Zainal Rampak, president of the Malaysian Trade Union Congress (MTUC), said they also are confident that the prime minister will maintain national political stability and solve the problems facing UMNO.

"I represent more than 500,000 workers in 136 unions who fully support and stand firmly behind Datuk Seri Dr Mahathir and his government in continuing to manage the administration of the country," he said.

He said the MTUC continues to support the prime minister in spite of differences in opinion between the congress and the government on several labor issues.

Speaking here at a press conference at the office of the Kelantan branch of the Transportation Workers Union (TWU), he said that under present conditions MTUC support for the prime minister is unanimous.

"The MTUC also fully supports the prime minister and his government in the steps he has taken to maintain political stability in the country, ensuring that the security and welfare of each community are preserved," he said.

### Security

This is important for ensuring political and economic stability. The confidence of the people is thus assured for the sake of the country's future.

Zainal said the MTUC is giving serious attention to each political development in the country and to the situation of the government following the Kuala Lumpur Supreme Court's ruling that UMNO is not legal according to law.

"Nevertheless, we are confident that with his authority, skills, and moderate views Datuk Seri Dr Mahathir will be able to continue leading this country in security and well-being," he said.

The MTUC also has observed the ability of the prime minister and his government to create job opportunities in order to reduce the social pressure felt by people because of the country's economic slowdown.

With respect to labor issues, he suggested there be more dialogues and forums between the MTUC and the government for settling differences of opinion.

Zainal said the MTUC and all its affiliated unions are ready to discuss any issue between them and the government.

6942

### Army Wants Volunteers

42000298c Kuala Lumpur NEW STRAITS TIMES in English 2 Mar 88 p 2

[Text] Kuantan, Tues.—The army hopes to recruit another 270,000 volunteers to strengthen its reserve force in a bid to enhance national defence capabilities by the year 2000.

Chief of Army General Datuk Yaacob Mohamad Zain said today he hoped that a volunteer service corps could be set up for every one of the 16 corps in the army.

"Currently, the 30,000 volunteer reserves are mostly concentrated in the infantry, supply, transport, electrical and mechanical, and signal units," he said.

He was speaking after launching the 55th Army Day celebrations at the Fourth Infantry Division Headquarters at Batu 10 Camp here.

He said a plan was under way to set up artillery, combat and other services in the army consisting entirely of volunteer reserves.

"The Army Volunteer Reserves (PSTD) will be given a more challenging task and responsibility in helping the regular Army," he said.

Gen Datuk Yaacob said the PSTD's 11th Territorial Division Headquarters would be given additional tasks and turned into a strategic headquarters for the Army.

Previously, the 11th Division Headquarters' functions were solely to administer, co-ordinate and supervise PSTD members who were not fully mobilized. But the situation has now changed, he said.

He also said the recruitment of more volunteer reserves would not entail a large expenditure compared with recruiting regular personnel.

However, he said that a certain allocation was necessary for the payment of allowances, uniforms and equipment for the volunteer reserves.

He also hoped that the ratio of regular soldiers to volunteer reserves would be one to three by the year 2000.

Gen Datuk Yaacob said the restructuring of the Army which had been completed recently would enhance its effectiveness in carrying out its role.

He said that two artillery regiments would be revived this year to increase the Army's firepower to assist every brigade during operations.

A company would also be set up in every division in the Army to enhance information-gathering.

#### **Advanced Equipment**

Gen Datuk Yaacob said a Logistics Command Centre would also be set up to improve the Army's logistical capabilities.

He said that it was the long-term aspiration of the Army to upgrade all corps in the use of sophisticated equipment.

However, he said that the purchase of advanced equipment would depend on the financial capabilities of the Government and the economic situation.

He also said that various steps had also been taken to alleviate the housing woes of servicemen.

He added that discussions on the purchase or rental of more houses were under way between the Army and the Armed Forces Fund Board, which has a housing development company.

Talks are also being carried out between the Army and several other housing developers on the matter after approval had been received from the Government, he said.

Emphasis is being placed on areas where the housing woes of servicemen are acute such as Kuantan, Kuala Lumpur, Johore Baru, Kluang, Ipoh, Sungai Petani and Penang, he added.

Earlier, he officiated a parade of 833 soldiers and officers from all the 16 corps in the Army. Also present were deputy Chief of Army Lt-Gen Datuk Nik Mahmud Fakaruddin Tan Sri Nik Kamil and Army Corps Commander Lt-Gen Datuk Daud Abu Bakar.

He also presented awards for loyal service to eight people, certificates of merit to 13 and the Combat Dagger to Capt Ali Amir.

A parachute display by members of the Special Operations Unit from Sunagi Udang, Malacca and the Eighth Rangers from Kuala Lumpur was held.

In Penang, the Armed Forces Day was celebrated with a march past at the Second Division Army Camp at Sungai Ara by 165 men and seven officers which was followed by a speech by Gen Datuk Yaacob Mohamed Zain.

Later, Second Division Army Commander Maj-Gen Datuk Abdul Rahman Haji Abdul Hamid inspected the guard-of-honor.

In Seremban, about 200 soldiers took part in a parade at the Territorial Army field in Rasah.

Acting First Brigade Commander Col Hashim Mohamed Ali inspected the parade and later presented loyal service awards to three soldiers.

In Port Dickson, 400 soldiers took part in a similar parade at the artillery school field at Seginting Camp this morning.

In Kangar, the 12th Brigade commanding officer Brigadier-General Hashim Alias inspected a guard of honor mounted by 251 men in Oran Camp, near here.

Other activities planned include a blood donation campaign at the Army medical centre, Bukit Keteri tomorrow, a visit to Kangar General Hospital by the Army Wives Social and Welfare Board (Bakat) on Thursday, and a children's fair at the 12th Brigade field on Friday.

07310

#### **Japanese Offer Loan for PGU Project**

42130093c Kuala Lumpur *BERITA HARIAN* in Malay  
9 Feb 88 p 6

[Text] Kuala Lumpur, Monday [8 February]—PETRONAS [National Petroleum Company] has agreed to accept a Japanese loan to finance the second phase of the Peninsular Gas Utilization (PGU) Project since the loan has no restrictive conditions, said Chairman Raja Tan Sri Mohar Raja Badiozaman.

He said the liberal terms permit PETRONAS to use the money "in its own way" without being forced to comply with certain conditions. For example, PETRONAS may buy equipment from anyone, he said.

The PGU Project, which is run by PETRONAS, is valued at 1,300 million ringgits.

"Furthermore, the Japanese loan offer of 840 million ringgits is extended at a reasonable rate," he said today after turning his responsibilities over to his replacement, Tan Sri Haji Basir Ismail.

He spoke in response to questions as to why PETRONAS agreed to accept the loan while the value of the yen is fluctuating.

Japanese Prime Minister Noboru Takeshita made the loan offer to Prime Minister Datuk Seri Dr Mahathir Mohamad during the ASEAN-Japan dialogue in Manila this year.

Raja Tan Sri Mohar said PETRONAS is now preparing official details of the loan and is merely awaiting official approval by the government.

He said the loan, valued at 42 billion yen, will be channeled through the Japanese Overseas Economic Cooperation Fund (OECF) at 4 percent over 25 years, with a grace period of 7 years.

#### **Capability**

He said PETRONAS had not yet decided on a source for the remaining 420 million ringgits for the project.

"PETRONAS has the capability of paying the balance itself, and it may do so," he said, while not rejecting the possibility that PETRONAS may use local banking sources.

He said it is also possible that PETRONAS may obtain the funds from Bank Bumiputra Malaysia, Ltd., since Tan Sri Haji Basir is executive chairman of the bank.

Raja Tan Sri Mohar said tenders for pipeline construction under the second PGU project would be issued before the middle of the year. He said work is scheduled for the beginning of 1990.

He said one of the 11 companies listed to receive tenders had withdrawn.

The companies include local and foreign firms, including some from the United States, the United Kingdom, and Japan.

Meanwhile, Datuk Murad Hashim, senior PETRONAS vice president (downstream products), said he had not yet received a request from anyone for construction of the second PETRONAS refinery at Malacca, valued at 1,000 [as published] ringgits.

"We still have not received a request from anyone to carry out that plan," he said. That statement served to deny press reports that a joint enterprise had submitted a proposal for participating in the project.

He said that although the press had reported various statements on the matter neither he nor his staff had been informed.

During the middle of last year, Malacca Chief Minister Datuk Seri Abdul Rahim Thamby Chik was reported as saying the state government would submit to the Malaysian Government a proposal from Petmal, Inc., that the company be permitted to participate in the project, located at Tangga Batu, near Tanjung Keling.

6942

#### **PETRONAS To Train 100 Scientists**

42130093b Kuala Lumpur *BERITA HARIAN* in Malay  
8 Feb 88 p 7

[Text] Kuala Terengganu, Sunday [7 February]—PETRONAS [National Petroleum Company] is expected to train locally more than 100 scientists in petroleum and gas studies when the Petroleum Research Institute is set up at Bangi Selangor at the end of this year.

Datuk Dr Abdullah Sanusi Ahmad, PETRONAS vice president for human resources, said the establishment of the institute is consistent with the rapid development of the petroleum and gas industry in this country.

The institute will focus on all aspects of petroleum and gas research in order to find new methods for the furtherance and use of those products.

"The institute also may study technology for facilitating production of oil and gas in this country," he said.

An area in Bangi has been identified as a site for the institute.

PETRONAS now has 40 local researchers who will be assigned to the institute. Their number will be expanded from year to year as developments and demands require.

"PETRONAS wants the Petroleum Research Institute to be a research center that uses high technology," he said.

PETRONAS is now initiating a special training scheme for graduates still unable to find work.

PETRONAS plans to take 658 unemployed graduates into the program.

There are now 317 people in the first and second groups under the program in various PETRONAS departments and subsidiaries and in government and private agencies.

6942

#### **Mahathir Urges Muslims To Interact With Non-Muslims**

42130093a Kuala Lumpur *BERITA HARIAN* in Malay 7 Feb 88 p 1

[Text] Kuala Lumpur, Saturday [6 February]—Datuk Seri Dr Mahathir Mohamad said an Islamic community that wants to progress without weakening its religion must be good at moving in a multiracial society like the one in this country.

The prime minister stressed that isolation from non-Muslims is not the way to advance.

Speaking here today at the Islamic Center at his inauguration of the Nadwah Islamic Academy Foundation (NADI), Inc., he said the Islamic community in Malaysia must accept the fact that its lives in a society of multiple races and religions.

"Whether we like it or not, we must mingle with non-Muslims," he said.

Datuk Seri Dr Mahathir regretted, however, that there are educated Muslims who do not associate directly with people of other religions.

"That produces an attitude inconsistent with actual conditions in Malay society. No plans and approaches will work if we do not consider the actual situation," he stated.

He wants attention to be given to the way in which Muslims interact with people of other religions. "Good, cordial relations must be established between Muslims and non-Muslims in order to ensure in this country the peace called for by Islam," he declared.

The prime minister praised Islamic scholars in this country for contributing their efforts and seeking to strengthen assurance and faith among Muslims.

#### **Mutual Understanding**

Nevertheless, he said, there are not many who associate with non-Muslims, even to ensure that Islam is not misunderstood.

Datuk Seri Dr Mahathir noted there are now suspicions that would not exist if Muslims and their non-Muslim friends had a mutual understanding of each other's customs and life styles.

"I realize it is not easy to achieve a feeling of mutual understanding, but with sincere intentions and efforts blessed by God, we shall be able to form those feelings.

"If our faith is strong, we need not fear that our intentions will be criticized," he stated.

Earlier, he had called on Muslim intellectuals to demonstrate the agreement, cooperation, and brotherhood that reflect Islamic philosophy.

He said they, and all Muslims, must perform political, economic, and social activities that not only could succeed but in fact do succeed.

The prime minister also stressed that the Islamic community must be trustworthy and honest and must not be involved in types of business that are prohibited by Islam.

He said the establishment of the foundation was timely, for the people of this country greatly need endeavors which explain Islam to the public.

6942

**Somare Urges Opening Mission in Soviet Union**  
*42000296a Port Moresby PAPUA NEW GUINEA*  
*POST-COURIER in English 11 Mar 88 p 3*

[Text] Opposition Leader Mr Somare wants PNG to consider opening a mission in Russia.

"We have done it with China and should do the same with Russia," he said yesterday.

In the past it had not been possible to establish trade links with countries such as Russia and China because of the immature state of PNG's foreign policy.

But after 12 years of independence PNG should know exactly how it wanted to conduct its foreign policy and Mr Somare said, "it must be conducted in such a way that we gain the best out of it economically and diplomatically".

07310

**Military Training Agreement Signed With New Zealand**  
*42000296b Port Moresby PAPUA NEW GUINEA*  
*POST-COURIER in English 18 Mar 88 p 1*

[Article by Elizabeth Kogomoni]

[Text] It took two signatures and in just hours a plane load of New Zealand soldiers landed in Port Moresby.

Today, the New Zealand Air Force plane returns home with 120 PNG soldiers on an exchange training scheme.

The agreement for the exchange was signed by the Minister for Defence Force, Mr Pokasui, and the acting High Commissioner of New Zealand, Mr Geoff Randal, in Port Moresby yesterday morning.

In the afternoon 120 soldiers from New Zealand arrived.

The PNG soldiers will be based in Burnham and Tekapo in the South Island of New Zealand and will be training with the army for one month.

The New Zealanders will be based at Port Moresby's Taurama Barracks but will also train at Goldie River and on the Kokoda Trail.

The exercise is code named "Kwila Matai".

In April, a Royal New Zealand Air Force aircraft will return the PNG troops and take back the Kiwis to their cooler climate.

The training program has been drawn up to help the two groups of soldiers to learn from each other's defense forces.

07310



**Cebu Columnist Reports Favorable Views of U.S. Bases**

42000300a Manila MANILA TIMES in English 24 Mar 88 p 5

[Article by Godofredo M. Roperos]

[Text] As agitation for the discontinuance of the stay of US military bases in the country intensify in Manila, people's sentiment in these central islands of the Visayas does not seem to mirror a similar stand. There appears instead a subdued attitude towards the issue which tend to take it as an ace in the national sleeve that should be used to gain leverage for the country rather than go for outright rejection of any possible agreement over the extension of the bases' stay.

We have talked during the past few weeks with a number of people from various walks of life in the region, a fishwife selling her husband's catch in the town market who told us she does not care how the bases problem will be resolved so long as it does not further aggravate the hard life of people like her who has five children to feed; a kaingin farmer who still feels the Filipinos should not turn against the Americans; a retired public school supervisor who thinks it is unwise for our leaders to believe we can be secure without US support; a jeepney driver who has a cousin in the United States who sends him a few dollars as gift now and then feels Filipinos in America will surely oppose driving out the US military bases; a small landowner who thinks the idea of having the Americans rent the bases will help the economy of the Philippines; a rattan furniture manufacturer who exports his product to the United States who believes this is not yet the time for us to renounce our close ties with the US.

Three people we talked to—a college student, a young practicing lawyer and a university professor—gave us a more elaborate view of the issue. The lawyer who talked on condition he will not be named, said we should agree to extend the bases agreement only if the Americans are willing to pay rental "through their noses," which we interpret to mean that the US should not impose its conditions but agree to negotiate on our own terms. The young lawyer, for one, thinks the idea being floated in the national dailies by certain legislators to swap the bases' retention with the country's foreign debt is not a bad one. According to him, the 40 per cent which our government is presently paying for the interest of the loan alone out of the country's total annual budget, is a staggering amount when translated into economic development projects the rural inhabitants directly needs.

The college student, on the other hand, told us the US should be made to agree never to install in the bases nuclear weapons which will generate a like response from the Soviet base in Vietnam, and at the same time fulfill the "nuclear free" provision in our new Constitution.

According to him, while he is realistic about the importance of the military bases to both the US and Philippines security, he also wants the bases to help solve our economic problems. He said he has a relative who lives off the presence of the Subic Naval Base, and is partly supporting his studies his parents cannot fully underwrite.

Only in our talk with the university professor did the nationalist sentiment being raised by some oppositors to the retention of the bases, came up. But this was only to deny the relevance of nationalism with the bases issue. He pointed out to us the Japanese could not be less nationalistic than we are towards their own country, simply because they allowed US military installations in Japan, and are even in fact, supporting these with over two billion dollars in yearly contribution for the maintenance of the same. He believes it is a matter of national political and economic survival on our part to have the US bases agreement extended, saying it is hypocrisy on the part of some of our national leaders to think otherwise. We are a country presently besieged with enormous problems in the social and economic sphere, not to mention the heightening harassment from the radical left and the threat of trouble from the alarmed right because of President Cory's land reform program, we cannot afford to aggravate our situation by generating more problems from an issue which can be resolved in our favor, depending upon the strength of our political will.

It appears, there is a general unexpressed feeling among common people favorable to the retention of US military bases in the country provided the issue is settled under conditions worthwhile to the average Filipino. The "exchange deal" idea between our foreign debts and the bases retention agreement is titillating a lot of common folks' mind. An influential businessman who visited Cebu City recently pointed out the 40 per cent of the national budget being set aside to pay the interest of our foreign debt is enough to give a P1,000 year-end bonus to every Filipino citizen. If we can free ourselves from the responsibility, we can use the amount to generate more economic development projects.

But the question is, will the US agree to have our foreign indebtedness be included in the upcoming negotiations?

07310

**Columnist Hits 'Gruesome' Military Handling of Antibases Activities**

42000300c Manila MANILA TIMES in English 28 Mar 88 p 7

[Article by Manuel F. Almario]

[Text] It is grotesquely ironic that two young men who were acting to implement the spirit and letter of the Constitution should be arrested and tortured and one of them killed allegedly by government agents acting in the name of national security.

Hilario "Jonjon" Bustamante, 18, who was left for dead in a Caloocan City "killing field" last March 21, has told media men that he and his companion, 20-year-old Reynaldo Francisco, were seized by members of the Capital Region Command while they were pasting posters for the banning of nuclear weapons and the elimination of US bases from Philippine territory.

Bustamante and Francisco were members of the youth organization, Kadena, and the Nuclear-Free Philippines Coalition. Francisco was found dead 15 meters away from where Bustamante was seen almost dead by a security guard, both sustaining hack wounds in the neck and other parts of their bodies.

Bustamante said he and Francisco were taken to the Presidential Security Guard headquarters, across the Pasig river from Malacanang, where they were bound with wire around the hands and feet, blindfolded, starved for two days, beaten and burned with lighted cigarette.

"They wanted us to admit we were members of the Sparrow Unit, that we were NPA," Bustamante related. "We told them we were putting up only 'Dismantle the Bases' posters." Afterwards, Bustamante said, he, Francisco and a woman he did not know were taken in a car to the 'killing field,' where they were dumped one by one.

This gruesome incident is certain to darken further the human rights record of the Aquino administration, which had been tainted by numerous cases of massacres, murders and tortures of peasants, outspoken leaders of labor and cause-oriented organizations and communist suspects. But because of the circumstances surrounding it, the Bustamante attempted murder appears to be the most serious threat so far to the human rights posture of the administration because he has survived to tell the tale.

Bustamante's story is certain to shock the world, especially in countries where Amnesty International and other human rights organizations are active. It will severely test the Cory Aquino government's oft-proclaimed commitment to human rights.

It must be recalled that the Marcos regime lost the support of our people because, among others, of its brazen disregard of human rights. Yet in only a little more than two years of its existence, the Aquino government is being perceived as equalling, if not exceeding, its predecessor in the record for the savage treatment of its suspected enemies and dissidents.

In addition to the individual martyrs of the cause-oriented opposition like Rolando Olalia, president of the KMU, Lean Alejandro, secretary-general of Bayan, David Bueno, human rights lawyer of the Ilocos, and many others, there is now Rey Francisco, whose only apparent crime is his intense desire to protect his people

from the threat of nuclear war. For acting on the same idealism and unselfishness, Bustamante himself suffered inexcusable pain and suffering.

And yet, both Francisco and Bustamante were only trying to bring about the implementation of the Constitution which states that "The Philippines, consistent with the national interest, adopts and pursues a policy of freedom from nuclear weapons in its territory." In also asking for the dismantling of the US bases, they not only exercised their right to speak out on public issues, they also promoted the spirit of the Constitution on nuclear freedom because the US base authorities refuse to obey our Constitutional ban against nuclear weapons in our territory.

As active members of cause-oriented groups, they were entitled to protection under the Constitutional provision that "The state shall respect the role of independent people's organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations...."

In seizing, detaining, torturing, attempting to kill and killing the two youths, the perpetrators, who were alleged to be agents of persons in authority, were in fact subverting the Constitution and the law. Unless they are weeded out and punished, the government itself would be in danger of being destroyed from within, like a house with termites.

07310

#### **Analyst Views Economic Dislocation of U.S. Bases Pullout**

*42000300f Quezon City MALAYA in English  
27 Mar 88 pp 1, 6*

[Article by Ellen Tordesillas]

[Text] The president of a top research organization yesterday said the abrupt removal of the US military bases from the Philippines would dislocate the local economy.

Speaking on the economic aspects of US bases in a forum sponsored by the Philippine Council for Foreign Relations, Enrique Esteban, president of the Center for Research and Communications, said "removal (of US bases) is not strictly desirable. A phaseout would be less painful."

Esteban said a 10-15-year period for the phaseout would be less disastrous but a five-year phaseout period would have a heavy impact on Philippine economy.

At the same forum, former Justice Minister Estelito P. Mendoza said the first agenda in the coming review of the RP-US Military Bases Agreement should be the termination of the agreement.

He said despite President Aquino's declaration that she would keep her options open on the US bases until 1991, the Constitution has given the President no option as far as the existing agreement is concerned.

Mendoza also said foreign military presence in the Philippines, like that of the US Armed Forces, is an "anachronism." "Such presence is an affront to the sovereignty and dignity of an independent and sovereign nation," he added.

Mendoza noted that the presence of foreign military forces here unavoidably identifies the security interest of the country with that of the foreign power involved.

"Should such a presence aggravate the danger of external attack, it would be imprudent to allow such a presence," Mendoza said.

Esteban said the Philippine economy would lose P1 billion, the amount it gets yearly from the US bases, if the bases were transferred to other countries.

Esteban, however, said statistics showed the US as a source of Philippine economic growth is weakening while the Japanese role is becoming more dominant.

Esteban also said the US would have to spend some \$10 billion if it has to transfer Clark Air Base and Subic Naval Base to other countries, saying the cost of labor in alternative sites would be six times more. The US would also have to spend about \$5 billion for the construction of ports and military facilities.

Esteban added the transfer of Subic base to Palau, a group of islands east of Mindanao, would require three more days of sailing. This translates into an added cost of about \$60 billion for additional ships and planes.

The Makati Business Club earlier suggested that the US invest in Treasury bills the \$10 billion opportunity cost and the \$1 billion annual interest could then be used to pay the Philippines.

Esteban said Japan, China and even the Soviet Union want the US bases to stay in the Philippine for different reasons:

- If the US bases in the Philippines were removed, Japan would have to increase military spending to protect the "choke points"—Malacca, Sunda and Lombok straits—where 50 per cent of Asia's oil supplies pass.

- China would feel threatened by possible Soviet dominance in the Pacific in case the bases are pulled out of the Philippines.

- The Soviet Union would rather have the US bases here than face a militarized Japan and China.

Esteban also said Singapore Prime Minister Lee Kuan Yew has offered a \$5-million contribution to the maintenance cost of the bases.

The position papers of Mendoza and Esteban were earlier presented in a widely criticized forum in Bodega Bay, San Francisco, in the US.

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### **Ramos Seeks Changes in Law Restricting Reservists Role in Insurgency**

*42000300d Quezon City MALAYA in English 27 Mar 88 pp 1, 2*

[Article by Vot Vitug]

[Text] Defense Secretary Fidel V. Ramos said Thursday night he will ask Congress to amend some of the provisions of the National Defense Act to allow military reservists to participate in the counter-insurgency campaign.

"In pressing for the amendment, Ramos pointed out, the NDA was drafted at the time General Douglas MacArthur was here decades ago" when the situations confronting the nation were different from what they are today.

"We must change the role of reservists to meet present needs. Our reservists should be ready for duty during emergencies, such as the communist insurgency and the MNLF separatist movement and other threats confronting us today," he added.

Speaking before the officers and members of the Philippine Air Force Reservist Association at Villamor Air Base, Ramos said that although the entire nation is "not at war, the time to prepare for war is now."

The defense secretary said the NDA allows the mobilization of the reserve forces only when there is a threat of external invasion.

Such mobilization should also be done when internal security is threatened, he said.

Ramos's statement came two days after he ordered Gen Renato S. de Villa, AFP chief of staff, to beef up the ranks of the reservists to help in counter-insurgency campaign.

There is no exact figure on the reservists but informed military sources said the initial target of the defense department in the plan to activate the reserved forces is at least a million of them.

The reservist group alone whom Ramos addressed has 54,000 members.

"In the near future, we can expect a strong reserve force that can be called to active duty to augment the AFP regular force in time of emergency," he said.

The reservists, Ramos said will be provided with military equipment, including high-powered firearms, vehicles and communications equipment, adding training of new recruits will be carried out by each of the military's major service commands.

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### Editorial Hits Civil-Military Mixed Signals on Threats

42000300e Quezon City MALAYA in English  
27 Mar 88 p 4

[Text] President Aquino yesterday activated the Regional Consultative Commission that will help Congress draft an organic law for an autonomous Mindanao. The formation of the RCC has been described as another major step towards the achievement of peace in that war-torn region.

While they are talking of peace, however, Defense Secretary Fidel V. Ramos is preparing for war. In a directive to Armed Forces chief Gen Renato de Villa, Ramos called for expanded training of the reserve forces with the aim of mobilizing these for immediate deployment in case of "emergencies."

Leaving aside the constitutionality of invoking Commonwealth Act 1, the law creating the Philippine Army and the citizens reserved force, other than in cases of invasion, Ramos clearly intends to use the reserves in the counter-insurgency program.

From where we sit, we are led to wonder: what is the real score on the twin threats posed by the communist-led New People's Army and the secessionist Moro National Liberation Front?

The military claims the growth of the NPA has been checked and it is only a matter of rolling them up before Mrs. Aquino's term expires four years from now. From the South, we have been assured that the Muslim rebels are not more than bullies with AK-47 assault rifles for which they have no ammunition to wage a respectable firefight.

The signals projected by the civilian and military leaderships appear to be conflicting. One is talking peace while the other is gearing for war. We are tempted to ask: "Which is which?" But on second thought, we won't, because we have this suspicion that one is the sugar coating to the other.

07310

### Trade Secretary Eyes Thirty Billion Pesos Worth of Investments During 1988

HK210715 Manila BUSINESS STAR in English  
21 Apr 88 pp 1, 14

[By Gethsemane M. Selirio]

[Text] Trade and Industry Secretary Jose Concepcion Jr. yesterday said he is confident the country could generate P30 billion worth of investments this year, to surpass by 33 percent the government's original target of P21 billion.

Concepcion based his optimism on data released by the Department of Trade and Industry (DTI) showing that from January to March alone, investments already amounted to P8.45 billion, or 40 percent of the target for the year.

He added that industrial net sales increased 30 percent in the first two months of the year, from P17 billion in January-February 1987 to P22 billion in the same period this year. Merchandise exports also increased 33 percent over last year's \$764 million in January-February 1987 to \$1.012 billion.

Consumer durables posted a 68 percent increase in sales, and was the leading sector among eight industry sectors that improved its sales by 40 percent or more. Automotive parts was the second leading sector in industry sales with a 63 percent increase in turnover. Industrial sales, Concepcion said, are 60 percent higher for the first two months this year than in the same period in 1986.

The appreciation of the yen is proving to be beneficial for the Philippines. Several Japanese car component manufacturers, wanting to lower production costs, have signified its interest to join the government's local parts manufacturing program. Concepcion said these companies, after an assessment of the technical capability and the level of skills available in the country, were "impressed" by the labor productivity and found "tremendous potential" for the export of car products.

The manufacturers are Ikeda Bussan, manufacturer of seat components, Kyoritsu Hi-Parts, manufacturer of wiring harnesses and meters, Kanto Seiki, manufacturer of plastic components, Ichiko, maker of automotive lamps, Kiniguwa Rubber, maker of rubber components, and Nagata, a press shop and maker of tools and dies.

Vicente Mills, President of Philippine Nissan, inc., said the key element in the automotive industry today is not the concentration on major components, or big car parts, but on small consumable parts.

The entry of the Japanese manufacturers may also see the introduction of a new type of specialized manufacturing in the automotive industry. This involves a pyramid-type of business structure which calls for different levels of sub-contracting for specific car parts. At present, only the local garments industry uses this type of business practice.

Mills explained that Japan is currently involved in "slow entrepreneurial activities rather than big integration of vertically integrated activities." This means a company acts as the umbrella which engages several other small firms in sub-contracting activities.

Mills said the advantage of this setup is that it would help create more jobs and upgrade existing technologies as a result of the specialization.

### **Social Consequences of 'Irreversible' Sugar Crisis Analyzed**

*HK080857 Manila PHILIPPINE DAILY GLOBE in English 28, 29, 30 Mar 88*

["Special report" by Monica Feria]

[28 Mar 88 pp 1, 6]

[Excerpts] Sugar haulers are moving profits again in the country's prime sugar producing province of Negros Occidental after a wrenching five-year slump which sparked an international relief effort to save its starving children. But while a 250-percent increase in domestic prices is providing welcome relief, the crisis in sugarland is far from over.

The heady days of artificially high-priced U.S. sugar quota protection are over. This year's U.S. sugar order is down from 1.3 million tons in the mid-'70s to 110,000. This has already caused a 40 percent production contraction and U.S. agriculture officials warn that a total closure of the U.S. sugar market to protect their own sugar bloc is foreseeable in the next few years due to inroads from corn syrups and artificial diet sweeteners.

The problem is that U.S. quota protection nurtured an underemployed manual work force in a paternalistic hacienda system which produces sugar at costs (11 cents/lb.) much higher than world market prices (5-7 cents/lb.). So there is no point searching for new markets in Japan, newly industrialized neighbors and the socialist world unless sugar can be produced competitively.

### **Mechanization**

The more explosive and unmentionable crux of the sugar crisis is this: Cost-cutting imperatives following the end of the Laurel-Langley agreement in 1974 has already set in motion a process that is displacing labor and tearing down centuries-old social structures in sugar-based rural society.

Simply said, even if sugar demand should increase again in the future, there is no way that Negros's impoverished workforce (already down to 265,000 from a peak of 500,000) can ever be completely reabsorbed. It is estimated that a fully mechanized farm will displace up to 90 percent of its labor.

Sad to say, there is no way this process can be reversed. Reliance on domestic consumption will mean that the Filipino consumer, poor as he is, will continue to pay three times the world price to subsidize the elite sugar industry.

Although its social consequences may be brutal, mechanization was dictated by world market forces and has proceeded independently of any government authority—Philsucom [Philippine Sugar Company] Benedicto or Marcos, and not even a government of the Left can reverse the process without causing bankruptcy.

[29 Mar 88 pp 1, 6]

In a macabre way, the national financial crisis of 1983-86 and its devastating effect on the struggling sugar industry in Negros Occidental was a blessing in disguise. It slowed down the mechanization process and forced the issue of diversification and land-sharing which are moves towards providing alternative livelihood and employment for sugar workers.

### **Abandoned Farms**

But the default on sugar payments by the government trading monopoly, coupled by the continuous price and export slump, sent planters scampering to develop new sources of income. Many abandoned their sugar farms, leaving their long-suffering worker-dependents to fend for themselves. Farms seethed with hunger and unrest.

Aid funds, when infused into a highly charged and polarized Negros, cannot but have political impact as well.

### **Intense Rivalries**

In a patronage-based society, the one who leads or implements aid programs will gain—whether intended or not—the powerful role of patron. Up to today, there are intense rivalries in Negros between so-called Right and Left groups, between planter-backed and workers union-backed or Church-backed foundations in the handling of relief projects. Notes [social anthropologist Violeta Lopez-Gonzaga]: Everybody more or less agrees on the need for land sharing for subsistence production, the contest is about who is going to lead the reform process.

Gonzaga said it is possible that workers have simply transferred their dependency from landowners to private relief agencies or the Church.

A dependent hacienda complex runs deep among Negros sugar workers. It may take longer efforts in education, training and self-help organizing to break the cultural barrier. The workers, like the planters, have yet to realize that the old hacienda ways are fast ending.

More outwardly, planter groups claim that aid funneled through independent non-government groups eventually find their way to Communist guerrilla camps. On the other hand, activist groups claim that government or planter-backed programs are directed to their favored haciendas.

### Crossfire

Many of these government and planter-backed aid programs also go hand in hand with counterinsurgency drives.

A representative of an international relief agency intimated that they were at a loss about how to deal or react to this situation. "We feel caught in a crossfire," she added.

But organized self-help aid projects in a limited way to give affected workers a taste of independence, a glimpse of power over their own lives. It is true that many farming programs have failed because of lack of skills and education among workers. Efforts and skills training programs by the horde of social agencies have accompanied the aid infusion, and this—regardless of political color—may in the longer term help sugar workers cope with the modernization transition.

The crisis has also unleashed forces that are demanding the moderation of its social costs and setting new limits on change—more vocal and socially conscious Church, emergent unionism, concern from national government and, in a negative way, a more aggressive insurgency.

The sugar bloc is not dead, notes Negros politician Wilson Gamboa. But they must proceed with the transition more cautiously now.

[30 Mar 88 pp 1, 6]

Armed men ride with sugar trucks in northern Negros Occidental and an increasing number of haciendas are taking on the image of armed fortresses in the face of a more aggressive Communist insurgency.

Even in Bacolod City, private armies are all too evident. And while the Constitution has abolished the notorious Civilian Home Defense Forces (CHDF), they have been reconstituted on northern Negros by another name, the Philippine Constabulary Forward Command (PCFC).

"Planters have the right to defend themselves," defends Negros's popular new Governor Daniel Lacson, adding that there are just not enough soldiers to go around.

Military officials agree and have backed them up with gun licenses and training for armed civilian volunteers. "We don't go for vigilantes here, we have direct control and supervision over those volunteers," a field captain said.

### Voluntary Levy

Rising sugar prices and the abolition of the unpopular sugar trading monopoly has released new private sector initiative in counterinsurgency. Planters in some milling districts confided that they have agreed to a voluntary sugar levy for counterinsurgency to the tune of one percent or about P5 per picul of sugar—several hefty millions of pesos if suggestions to carry it out on a province wide scale are pushed through.

Already, a new V-150 armored carrier (worth P1.7 million) has been ordered and will be donated to the military industry sources said. Military officers acknowledge that planters provide their PCFC volunteers with food, gasoline, communication equipment, uniforms and allowances (P1,000 a month) to keep their morale up.

An institutional or industry-wide fund will also weaken the attempt of the New People's Army, which operates in four fronts, to cut down the ability of planters to support counterinsurgency by burning individual plantations. A rebel offensive of economic sabotage and urban terrorism is on.

Civilian-military cooperation is unique in Negros. It is, in fact, the envy of military commands in other regions who face chronic lack of funds, equipment and civilian support.

### Junta

Critics, however, have charged that what is in effect is a de facto civilian-military junta which is forging strategies independent of the Manila government. Certainly there is a stark dichotomy between what President Aquino says in Manila about unarmed vigilantes and the military and local government-backed PCFC program and private security expansion in Negros.

"We cannot wait for Manila to make up its mind regarding counterinsurgency policy and strategy... We are under attack, our fields are being burned," exclaimed pistol-packing planter Lito Ballesteros. Mid last year, communist New People's Army guerrillas raided the 60-hectare Ballesteros farm. Brother Julio was shot in Bacolod a few months later. Last January, suspected NPA teams burned one of their upland fields.

### Security Risks

"Really big planters and traders can leave the country; it is lesser guys, medium-sized planters like us, who are left behind to pick up the pieces," continues Lito, adding that legal wages and socio-economic projects are being supported in their farm.

"Tell Manila we don't fight in coffee shops here," snarled younger brother Ike, 37, as he donned a fatigue jacket, slung a high-powered rifle over his shoulder and excused himself early from dinner discussions with mediamen to report for a joint military-civilian anti-insurgency patrol.

"We are taking a big risk spending time and money helping the military do its job, only to be branded security risks," added another neighboring planter. This is their side.

### Apolitical Interests

Sugar support for counterinsurgency is not new. The Marcos government used sugar funds to fight the Moro National Liberation Front, or so planters were told. Anti-communist planter-military agreements were actually pioneered by the late northern Negros warlord Armand Gustillo, and the NPA expanded quite slowly in that part of Negros during his reign. And yet, it was the 1985 massacre of civilian demonstrators in Escalante that gave the CHDF its worst blackeye, triggering public clamor for its disbandment.

The new planter-military leadership in northern Negros claims that stricter and more dedicated supervision will give them a better record this time. Ike Ballesteros, who ran and lost for a vice-mayoralty position in Toboso town holds himself up as an example of the PCFC's separation from the political interests of its patrons.

Still planter-military alliances cannot but be controversial in a province with such wide income discrepancies. Critics charge that the alliance is motivated less by anti-insurgency sentiments as they are by plans to resist land reform measures.

### Political Leverage

But while land reform may reinforce planter unity, few believe that they can resist the full onslaught of state power if the government really had the will to carry out land reform. More than their arms, the debt crisis and government's lack of counterinsurgency funds give them political leverage.

The greater danger of elite initiatives in counterinsurgency is likely in the credibility backlash it gives the military, which is already tagged as the private army of the planters.

Last February, unidentified armed men strafed the office of the militant Church-backed National Union of Sugar Workers, and police and military investigators have yet to solve this case. NFSW chairman Serge Cherniguin said repression of labor organizing is worse today than during the authoritarian Marcos regime. MALAYA correspondent Edgar Cadagat gets death threats.

### Supreme Court Throws Zobel Land Reform Example Into Doubt

42000300b Manila MANILA TIMES in English 27 Mar 88 pp 5, 6

[Article by Mao Chanco]

[Text] Dean Jeremias Montemayor, founder and president of the militant Federation of Free Farmers, isn't going to have many breakfast or lunch appointments with Makati tycoon Enrique Zobel, after all. In fact, should their paths again cross, they could talk briefly of some things, but not about UNLAD, the socio-politico-economic powerhouse which Zobel organized less than a month ago.

Montemayor has misgivings about UNLAD's stated purposes. He adds that unless some basics are incorporated into UNLAD's approach to national problems, few landscape changes can be expected by the nation.

For starters, Montemayor questions the priorities that UNLAD has assigned to comprehensive agrarian reform. He doesn't agree with the thesis that land reform should be laid aside while UNLADers attack the federalization issue. Land reform, says Ka Jerry, must be tackled ahead of everything else, because it is the first essential needed for the survival of democracy in the Philippines.

"If money is the problem, let us scrounge around and get all the funds that comprehensive agrarian reform needs to get off the ground," Montemayor told Bookmaker in an exclusive interview yesterday. "Federalization and other issues raised can wait a while, but true land reform can wait no longer. To say that UNLAD is for land reform, but that we must not bite off more than we can chew, evades the principal issue. That issue is that we cannot defer our need to protect democracy down to its very roots."

By the time this column appears, Montemayor may have already sent Zobel his notice of disaffiliation. That leaves only Ka Luis Taruc in the UNLAD peasant fold. Taruc himself has not made any policy statements since he joined UNLAD. His friendship with Zobel, however, dates back to the early Ninoy Aquino years. Zobel and Taruc were close intimates of Aquino. That may count for something. Or will it?

Jerry Montemayor's impending resignation wasn't Zobel's only headache last Friday. The Supreme Court ordered the Ayala Zobel family to return to the government 2,000 hectares of public lands, beaches and navigable waters in Calatagan, Batangas, Calatagan is where Enrique Zobel's roots are. Originally about 11,000 hectares in size, the Zobel family has since put into play a voluntary land reform program covering all except a few hectares which it retained for its use. Just a few weeks ago, Zobel also gave key employes and workers lands which they are to own and cultivate on terms easier than those offered by the government.

The problem now is that some or most of those lands which the government seeks to regain may in fact have been ceded over to the tenants on the Calatagan hacienda, as long as 30 years ago. If that is so, a real brouhaha is in the offing. Will this contretemps deflect the Makati lion from pursuing his UNLAD goals? That isn't likely. Even if he has gotten a whole new kettle of stew to handle, he's not the kind that runs away from a fight.

07310

#### **Local Contractors Allege 'Red Scare' Costing Business**

42000300h *Quezon City WE FORUM in English* 11-17 Mar 88 p 7

[Article by Gener Macaraig]

[Text] Human rights groups, often accused of being communist fronts, are not the only ones suffering from the ultra-rightist leanings of the government. Even perfectly capitalist ventures like overseas construction are afflicted by the paranoia inherited by the Aquino government from the past dictatorial regime.

Local contractors who prefer to remain unnamed for obvious reasons complain that the "red scare" is preventing them from taking advantage of the lucrative overseas construction market "on the other side of the fence."

In recent years, socialist and communist countries have opened their doors to the capitalist world, building hotels, roads and other infrastructure projects to avail of the advantages brought by the tourism industry.

However, the contractors claim they are not allowed even just to consider the projects opened by communist countries to international bidding for a "very illogical reason."

"The government is afraid that if we bring our workers to these countries, the Filipino workers might be indoctrinated by the communists and join the New People's Army when they come home," one contractor said.

This "infused bias" as the local contractors prefer to call it, is stunting the growth of an otherwise viable industry.

There was a time when some local contractors wanted to bid for a project in the Union of Soviet Socialist Republics. The word got out and immediately the project was rumored to be in Siberia. Popular perceptions plus government pressure prevented them from taking that job. Ironically, the project was won by an American construction firm.

"The thing is, everybody is out to get the jobs offered by these communist countries. West Germans, British, Americans, French, Austrians and even Japanese construction firms are out there competing except us," the frustrated contractor said.

There was also a time when a Filipino construction firm was offered first to join a pre-qualification bidding in Ho Chi Minh city. But because of "rumblings" from certain quarters in the government, the firm had to back out.

Eventually, only two bidders came to the pre-qualification bidding and won the contract: an Australian and a New Zealander. They are now doing the job for a whopping \$25 million.

The government is trying to veer away from the Middle East market, which the local construction companies claim had already been "prostituted anyway". The Philippine Overseas Construction Board said it is exploring the possibility of tapping the construction market in the nearby Asian countries. However, it is "not yet" considering the possibility of tapping socialist countries' market.

The official reason given by the POCB is that the bidding procedures of these countries are "complicated" as their tentative studies have shown, compounded by the fact that these countries have a lot of "protectionist policies".

However, the local contractors stick to their version that construction in "red countries" are not allowed because the color of their money is not green.

"we have to remove our biases against socialist countries. We have to be open-minded enough to realize that these countries form part of the \$10 to \$20 billion construction opportunities abroad," another local contractor said.

This local contractor, however, will not merely talk about the problem: he vowed to do something about it. "I am going to push through with my plan to bid for the project in Moscow," he swore, partly to this reporter, but more to himself. Whether or not he can break through the "iron curtain" in this government's paranoid mind is one big question mark.

07310



**Communist's Foreign Bank Accounts 'Unearthed'**  
*HK070905 Manila PHILIPPINE DAILY GLOBE in English 7 Apr 88 p 2*

[By GLOBE Staff Writer Ros Manlangit]

[Text] The Constabulary intelligence disclosed yesterday it has unearthed substantial dollar accounts kept by local communists in four banks in Tokyo and Hong Kong through which foreign aid to them are possibly being channelled.

Col. Gerardo Flores, chief of the PC intelligence unit (C2), reported to PC Chief Maj. Gen. Ramon Montano that the foreign accounts showed a March 17 balance of US\$227,671.05, about P4.5 million at the current exchange rate.

Flores identified the banks as Bank of Tokyo Ltd. (Hong Kong), Dai-Ichi Kangyo Bank (Tokyo), BPI International Finance Ltd. (Hong Kong), and Bank of Tokyo Ltd. (Hong Kong). Flores did not disclose the names of the persons which appeared as holders of the accounts.

He said that the accounts were discovered among the documents seized last March 29 from the suspected safehouses of the finance commission of the Communist Party of the Philippines [CPP]/New People's Army in San Juan and in Quezon City. CPP Secretary General Rafael Baylosis and NPA chief Romulo Kintanar were among those arrested in the safehouses;

Flores said that the PC has asked the Central Bank and the Presidential Commission on Good Government to help the military to freeze the foreign accounts which form part of the evidence in the rebellion and subversion cases filed against the CPP/NPA suspects.

A study of the transactions involving the Hong Kong and Tokyo accounts disclosed that about US\$800,000 has moved in and out of these bank accounts since middle of last year.

The military had estimated assistance to the CPP from fraternal communist organizations and supporters abroad at about \$10 million to \$15 million a year.

PC probers said that there could be other foreign accounts but it is extremely difficult to trace them.

Flores said that the March 29 raid also uncovered local bank accounts with a March 24 balance of P396,135 being maintained by the CPP in three Metro Manila branches of the Bank of the Philippine Islands, Far East Bank and Trust Company, Philippine Commercial and International Bank.

PC spokesman Col. Cresencio Maralit said that there could be many more CPP money in local banks as the discovered accounts belong only to one CPP unit—the National Military Commission.

Maralit insisted yesterday that PC raiders did not take any other amount during the raid and the only money recovered from a safe, P25,000, is intact and will be used as evidence in court.

The other day lawyers for the arrested CPP officers claimed that \$108,000 and P416,000 in cash were lost during the raid. The lawyers denied that the money belongs to any subversive organization but to a car exchange firm being run by a wife of one of the CPP officers.

**Resurrected Huks 'Declaration of War' Against Aquino Government, NPA**

*HK081237 Manila THE PHILIPPINE STAR in English 8 Apr 88 p 3*

[Text] Now it's the Huks causing more headaches for the military in Central Luzon.

After a recent "declaration of war" against the Aquino government, a group claiming to be the resurgent Hukbong Magpapalaya ng Bayan [Freedom Fighters of the Nation] or Huks, struck the other day, killing a CHDF militia man and seriously wounding two others in Barangay Kalantitay, Baliuag, Bulacan.

Maj. Enrique Galang, Camp Olivas spokesman, identified the fatality as Leonardo Santos of Kalumpit, Apalit, Pampanga. Wounded were laborer Roberto C. Francisco, 20, and farmer Manuel C. Munsayac, 37, both of Barangay Kalantitay.

The victims were playing cards during a wake at about 3:30 p.m. when heavily armed men on board a jeepney sprayed them with Armalite and carbine fire.

Galang said Santos died on the spot while the other victims were taken to a nearby hospital where they were reported to be in serious condition.

Two weeks ago, Bon Alejandrino, who said he was the Huk's top commander in Central Luzon, said in a press conference in Pampanga that his movement has reactivated anti-government forces in the region. He claimed that in Candaba, Pampanga, the Huks have been dominant over the NPA.

Alejandrino also said that the Huk movement has been mobilized anew to fight the Aquino administration which he described as worse than the Marcos regime.

The Baliuag incident was believed to have been perpetuated by one Kumander Binata, a Huk leader operating in Pampanga and Bulacan.

The service pistol of the slain militia man was taken by the Huks before they fled in the direction of Barangay Duyong, San Luis, Pampanga.

**Guerrilla, Military Statements Announce Plans To Win Insurgency War**

*OW081321 Tokyo KYODO in English  
1257 GMT 8 Apr 88*

[Text] Manila, April 8 KYODO—The Communist rebel army leadership and the military high command on Friday both announced plans to win the insurgency war in what could be a preview of more intense fighting between government forces and guerillas.

The rebel New People's Army (NPA) on Friday called for "full maximization" of guerilla warfare as military commanders adopted a policy of "quick and decisive action" against the Communist insurgents.

"At present, the central task of the People's Army is the full maximization of guerilla warfare along with the simultaneous and step-by-step development of the components and requisites of regular mobile warfare," the NPA General Command said in a statement distributed to news agencies Friday.

The statement was issued nearly two weeks after the military captured seven top Communist leaders, including the alleged NPA chief, Romulo Kintanar, and Communist Party of the Philippines Secretary General and number two in the rebel leadership, Rafael Baylosis.

Also on Friday, Armed Forces Chief of Staff Gen. Renato de Villa presided over a command conference to map out fresh anti-insurgency strategies.

Armed Forces spokesman Col. Oscar Florendo said the military commanders favored dealing with the rebels quickly and decisively, because a protracted struggle "would favor the Communist insurgents."

The high command agreed that the outlawed Communist Party of the Philippines and its military arm, the NPA, remain the "main threat" to security among the so-called "threat groups" that include Moslem secessionists in the south and rightwing groups.

The 160,000-strong Armed Forces of the Philippines is fighting the NPA, which is officially estimated to number between 23,000 to 25,000 full-time and part-time guerillas.

The rebels said that the arrests of their leaders, the first reference by the insurgent leadership to the capture on the day the NPA marked its 19th anniversary, "must not in any way dampen our celebratory mood."

Without giving details, the NPA said that the initial stages of regular mobile warfare, a higher level of fighting than guerilla actions, has become "more pronounced" in selected regions.

It said that this development is a "very clear indication that we are now at the threshold of a new stage in our revolutionary people's war."

The guerilla leadership said that more companies and battalion-size formations will be established along with increasing logistical support and "upgrading military hardware."

It also said that command structures would be streamlined, "large-scale recruitment" and training would be undertaken and the capacity for coordinated campaigns and counter-campaigns improved and political-military discipline strengthened.

"The new situation, which calls for the advancement of the revolutionary struggle to a new and higher stage, will require tremendous effort, sacrifice and perseverance," the NPA General Command said.

Philippine officials concede that the NPA is waging a homegrown insurgency which has expanded over the years with little or no foreign support.

The government is adopting a general strategy of combatting the rebellion by combining economic development efforts and military action to contain social unrest rooted in widespread poverty.

De Villa said the "spirit of the offensive" must always prevail in all military operations against the rebel army to seize the initiative in combat, intelligence and civil-military campaigns.

The army chief also gave "freedom and autonomy" to local military commanders to make spot decisions regarding troop deployment and use of military resources.

Local commanders have previously complained of having too much responsibility but little authority over government forces. This has led to the dismantling of regional unified command structures, regarded as excess bureaucracy.

**Military Accused of Massacre of Negros Occidental Family**

*HK071051 Manila PHILIPPINE DAILY GLOBE in  
English 7 Apr 88 p 3*

[By Correspondent Jaime Espina]

[Text] Bacolod City—A couple and their three children were killed and another child was wounded by armed men believed to be Scout Rangers who shot up their house with automatic rifles and grenade launchers early Wednesday in Purok Aton-Aton, barangay Cambugnong, Himamaylan town.

This was disclosed by Task Force Detainees Negros sub-regional coordinator Xenia Tupas after receiving reports from residents who witnessed the killings.

No statement has yet been issued by military spokesmen in the area and neither could they be reached for comment as of this reporting.

The fatalities in the massacre were identified as Basic Christian Community member Reynaldo de los Santos, 47, his wife Cirila, 42, and their children Junice, 14; Mary Joy, six and Junjun, four-and-half years old.

Reynaldo and the three children were killed on the spot while Cirila succumbed to her wounds at the Himamaylan emergency hospital where she was taken by neighbors.

The lone survivor was their son Josquin, who suffered a shoulder wound.

The killing of the De los Santos family is the third incident of massacre on families in Negros Occidental this year.

Last February 13, five members of the Garlit family were killed in Kabangkalan by alleged paramilitary troops and vigilantes, while four members of the Obero family were killed in Candoni by armed men believed to be soldiers from the 7th infantry battalion.

Military statements on the previous killings, however, have named the New People's Army as the perpetrators.

**Former Negros Rebel Hits Communist Atrocities**  
42000293b Manila *MANILA TIMES* in English  
17 Mar 88 p 2

[Text] Bacolod City—A captured communist leader said that people support for the communist movement has declined allegedly because of the indiscriminate killings and sabotage operations of the New People's Army.

Nemesio Demafelis, a former top communist leader in Negros island, described the communist atrocities as "anti-people."

These were "contrary to the pro-people stance of the NPA," he added.

"By destroying bridges, municipal buildings and even power lines, the CPP-NPA is making the people suffer because it is the people who are most affected by such atrocities," Demafelis told a press conference here last Tuesday.

Demafelis was captured in a house here last March 8.

He explained that "when rebels hijack delivery trucks, storeowners spend more for their goods by buying supplies from other sources and paying more for transport.

Therefore, he said, "they have to increase their prices to recover the added cost."

On the "indiscriminate" killing of policemen, Demafelis said such NPA atrocities were "illogical" because most of those killed had not committed any serious offense that would warrant punishment by death.

Demafelis claimed he had resigned from the Communist Party of the Philippines because of these NPA atrocities as early as July last year.—PNA

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**Limits of Reconciliation Body, Plight of Surrendered Viewed**  
42000204f Quezon City *NATIONAL MIDWEEK* in English 23 Dec 87 pp 10-13

[Article by Rex L. Aguado: "They Will Be Home for Christmas"]

[Text] They came with their little bundles of sorrow and despair, men and women burdened by brown burlap bags into which were crammed all their possessions—rumpled rags that passed for clothes, faded estampitas [small portraits] of the Virgin Mary or a patron saint, occasionally a knife or a paltik [slingshot] revolver carefully wrapped in newspaper and tobacco leaves.

Some of them had heard of the Yellow Widow and her revolution, her strange talk about this "national reconciliation" thing. They were told that they could now come down, find jobs, own a house, send their children off to school for free, and do the things they couldn't have dreamt of doing during the Masagana [Prosperous] 99 and Green Revolution years.

For some it wasn't an easy decision. Ka Lino, a New People's Army cadre based in Panay, recalls debating with his stubborn Nanang [form of address used for one's mother] Metring for almost two weeks, with the latter arguing that "I just can't leave this plot of land." In the end, an ambush staged by the local vigilante group sent Nanang Metring and her brood packing. In that incident, Ka Lino was hit in the shoulder but was able to escape. Two of his companions, who were not so lucky, died in the ambush. One of them was Ka Lino's younger brother.

Ka Hernan, on the other hand, was never prodded by any vigilante ambush to come down from the hills. He had been a political officer of the Communist Party of the Philippines based in the Southern Tagalog region and was also a spokesman of the National Democratic Front during the December 1986 peace talks. After the collapse of the talks, some policies of the organization did not sit well with Ka Hernan. He didn't explain why, but he said that the newly opened democratic space was worth a try.

Ka Hernan also has a civilian girlfriend with whom he wants to live a normal life. For him, these were reasons enough to return to the fold.

"The revolutionary armed struggle is not the only means to effect social change," Ka Hernan says in his lyrical Tagalog. "There are other options that are as noble."

Since his surrender, Ka Hernan has been writing for a community newspaper, openly criticizing the policies and performances of both the local and national governments. He doesn't even spare the agencies responsible for his amnesty and temporary accommodations when he surrendered. But Ka Hernan doesn't intend to stay long with the paper. Having undergone a "manpower skills training" program, he is now in the process of establishing an auto repair shop. His girlfriend, now a real housewife, is heavy with child and will be finishing her vocational course on hair culture any time soon.

And then there is Lucia, a fair-skinned amazon from the Bondoc peninsula. She was only 15 years old when she joined the NPA. "A lot of my friends were already NPA regulars, so I just tagged along," she recalls. Coming from a peasant family, Lucia was not new to the hardships required of an NPA cadre. She remembers the lectures under the coconut trees of Quezon and Aurora. "They gave me a broader understanding of things," she says. Lucia maintains she is not sorry she has come down from the hills. She has never forgiven herself for her brashness in joining the underground movement. Somehow, she says, she felt cheated. But she will not elaborate.

So they came, individuals and families fleeing the only homes they knew. Some of them were former rebels; but the bulk consisted of terrorized civilians caught in the crossfire. They left behind their lands and their former lives, hoping to pick up some fragments of hope on the way. But the fragments are slowly being blown away by a cruel wind.

Since December 1986, when the Aquino government launched its National Reconciliation and Development Program (NRDP), about 2,000 rebels and so-called subversive mass-activists have come down from the hills. Close at their heels came thousands of men, women and children who were either tagged as sympathizers or dependents of the rebels.

As part of the NRDP, Proclamation No 10 was issued in February 1987. In effect, it allowed a number of rebel returnees to seek and receive amnesty from the government. The period for the granting of amnesty was supposed to end last August 28, but another presidential proclamation extended it to February 1988. Members of the National Reconciliation and Development Council (NRDC) express confidence that the extension would "encourage more rebels to lay down their arms and join the social mainstream." The NRDC, the implementing arm of the NRDP, gathers nine government agencies together under the leadership of the National Economic

and Development Authority (NEDA), the Department of Local Governments (DLG) and the Department of Social Welfare and Development (DSWD).

If an increase in the number of surrendering rebels makes the NRDC people happy, then they should be joyous over the latest developments in the government's anti-insurgency campaign. The heightened military operations in the countryside and the proliferation of the dreaded vigilante groups are virtually flushing not only rebels but also civilians out of their huts. For these people in flight, the choice is no longer between "being Red or dead"; it is now "surrender or die."

Sketches of the NRDP blueprint were first made a few months after the February revolution. A number of cabinet meetings were held on the eve of the ceasefire talks with the NDF to iron out the details of the program. A bureau chief from the DLG even said that the NRDP was part of a package to be offered as a bargaining chip in the peace negotiations. The DLG official, who requested anonymity, said that the talks were actually an attempt by the government to neutralize an insurgency movement that has been "coopted by a limited popular revolution."

"We were not that naive to think that the Communists would lay down their arms," he said. "Some government officials predicted the failure of the talks, and they planned to blame it on the insincerity and unrealistic demands of the NDF negotiators. Of course, that may or may not be true, but the NRDP was part of the plan to persuade the less ideological rebels to surrender."

Seen in this light, the NRDP looks like a succulent yet artificial bait being dangled in front of the wide-eyed, fish-and-rice rebels. Karina C. David, undersecretary of the DSWD at the time the NRDP was formulated, has expressed disagreement with this view.

"I think the NRDP has been much misunderstood," she said. "This is not a reward for people coming down from the hills. We're not dangling gifts; we're simply trying to ensure that those who want to reintegrate into society are given those necessary facilities by the government."

David, who has recently resigned from the DSWD, pointed out that the success of NRDP is "largely dependent on the government's structure and efficiency in delivering services." She said that as soon as the administration implements a genuine land reform program while maintaining peace and order in the countryside, the reconciliation program "would fulfill everybody's dream of peace in the country."

The agrarian reform program, however, is still the subject of debate in both houses of Congress, while peace and order have gone from bad to worse in the rural areas.

Said Jose P. Gabrillo, a provincial development officer and NRDP contact person in Region I: "The NRDP must face the problem of refugees. These are the displaced residents caught in the crossfire between the rebels and the military." Gabrillo added that the centers which house the rebel returnees are stretched to the limit; many refugees can't be accommodated. "Even the Red Cross has come in to help but then, with the continuing military operations, the problems remain," he said.

The NRDP prescribes a simple procedure. It does not accept rebels captured by the military, since the surrender must be voluntary. A potential rebel returnee (RR) can approach any contact person such as a teacher, a priest or a barangay official and tell the person of his plans to surrender. Some rebels even approach high-ranking government officials. Then DSWD Undersecretary David, for instance, was once visited in her office by a group of curious rebels. "It surprised me, but they were not unwelcome," she said.

The RR could also go directly to a nearby and safe DSWD branch office. There, if he's classified as not just some pesky sympathizer or a rebel dependent, he would be given an orientation about the NRDP. After the lecture, the rebel could still decide whether to surrender or not. If he decides not to, he could go back to the mountains. However, his name will surely remain in the military's rebel list and he would be hunted like a rebel. If he decides to surrender, the rebel will be given a returnee status.

If the RR has no place to go to, he will be allowed to stay for 60 days in a sort of a rebel halfway house called the Bayanihan Center (BC). Currently, there are some 77 BCs under the supervision of the DSWD all over the country. These centers are so undermanned that the staffers themselves doubt whether they can handle a large group of surrendering rebels.

Once transferred, the first thing the returnee gets is a medical checkup. "We have to be sure that he is healthy and that he gets the proper medical attention. Mahirap na'ng mapagbintangan [It would be quite hard to be falsely accused of doing something wrong]," explains Carolina Parafina, the cautious and ebullient DSWD provincial director of Quezon.

While in the Bayanihan Center, the rebel returnee will be interviewed by the DSWD staffers assigned to him. He will be asked if he wants to have a "kapihan [coffee (i.e., drink coffee while being interrogated/interviewed) session]" with the local military for intelligence purposes. If he doesn't want to, his right to refuse will be respected; if he feels like squealing, well and good—as far as the military is concerned.

The RR will also be asked about his personal history, his problems, and his plans for the future. If he wants a job, for example, the DSWD can give him referrals to

employers, or to a training school, if he needs some skills training. This is usually done with the help of agencies like the Department of Trade and Industry (DTI), the National Manpower and Youth Council (NMYC) or the private sector. So far, job-hunting for the RRs is the most problematic angle of the NRDP.

"Of course, the businessmen are willing to help," Director Parafina explains. "They donate food, clothing or cash. However, most of them are reluctant to actually hire the returnees. The businessmen are still very suspicious because they have a picture of the returnee as a gun-toting, mountain-climbing rebel."

"We should try to reorient the public's view of the returnees," says Anna Alcantara, a Bayanihan Center staffer based in Lucena City. "Of course, you cannot blame the community for its reaction to a former rebel. However, a returnee's reintegration into society wouldn't be successful if such a shutting-off continues."

Partly to provide employment to the RRs, the DSWD has come up with its self-employment programs. Unfortunately, most of these programs are already filled up by out-of-school-youths and bored mothers. They can hardly accommodate job-hungry returnees. Some of the RRs have to make do with low-paying manual jobs like working as janitors and maintenance men or, for the amazons, as beauticians. With no sources of income, most of the returnees are forced to stay in the Bayanihan Centers for more than 60 days. There, they virtually live on government welfare, which is only slightly better than dole-outs and charity. Since the government cannot provide them with adequate employment, some RRs are grumbling.

"Akala namin, bibigyan kami ng trabaho. 'Yon pala, tatanga lang kami dito o di kaya'y ipa-pasa-pasa laang, [We thought all along that we would be given jobs. But instead we were indeed made to look stupid while here or we were just passed on from one person to another]," complains Ka Romy, a rebel returnee staying in a Batangas City center. Although Ka Romy and his former comrades have been in that center since June, they still haven't got jobs. They spend a typical day going from one office to another, or sitting around and recalling their glory days. "Mabuti pa noon sa amin, nakakakain pa kami sa sariling pagod. Dito, kung minsan e nakakahiya na nga [We had better days before, since we were able to eat from the fruit of our own labor. Nowadays what we're doing is just too embarrassing (shameful) at times.]" Ka Romy says, sheepishly glancing at the DSWD staffer accompanying this writer.

Director Parafina calls the gripes of the surrenderees a bit unfair. She says that the former rebels should understand the economic condition of the whole country before they start whining. And after all, she says, her department was doing everything it could to help them find jobs or a means of livelihood. "They should always remember that the government has given them the

freedom to walk the streets without being arrested," says Director Parafina. "That's the most important thing, because without it, how can they find work?"

At the mention of the word "freedom," some returnees smirk and scratch their heads [action signifying frustration or disgust]. Their usual comment is that what they have is "the freedom to starve and die legally."

"The government should have studied this employment component before launching the NRDP," sighs Ka Hernan. "They'll just use up all their resources feeding the ones who can't find jobs. These people have just come down from the hills. You can't expect them to muscle their way into placement agencies. I'm sure that they are willing to work, but the government must first give them a chance to prove their worth by providing them with some stable and at least well-paying jobs."

Actually, unlike other RRs, Ka Hernan should have no reason to gripe. Being a high-ranking member of the CPP and a well-known leftist figure, Ka Hernan's needs were conscientiously provided for. For example, a criminal case of double murder and robbery filed against him was dismissed even before he could be served a subpoena. A member of the committee handling Ka Hernan's case says that it was done to "demonstrate the government's sincerity in its reconciliation plan." Unfortunately, Ka Hernan's good fortunes are the exception rather than the rule.

Aside from the inadequate job placement and less than promising economic opportunities, the RRs still have to face that eagerly awaited yet terrible thing called "deployment." The usual practice is to refer them to relocation areas reserved for urban squatters. Everybody knows that conditions in these resettlement zones are far from satisfactory. Aside from congestion of the beautified shanties, the residents have to make do with government-issued facilities that are notorious for their standardized dilapidation and poor quality. Furthermore, these areas, though not necessarily ghettos, are usually isolated and far from employment and recreational centers.

Says a returnee now residing in one of those box-houses in a Cavite relocation center: "Puwede na sana dito, pero mas gusto ko pa ring bumalik sa amin sa Lopez, Quezon. Kung hindi nga lang nagaambusan, makakatanim pa ako doon. [It's okay here, however. I still would like to go back to our place in Lopez, Quezon. If not for the possibility of being ambushed, I really would prefer to be in our place, where I would be able to plant.]"

"At saka may ilog pa kami doon [In addition, we also have a river there]," butts in his 10-year-old son.

"Oo nga, at makakapalipad pa kami ng saranggola doon, di ba, 'Tay? [That's right, and we can also fly kites over there. Right, father?]" says a younger son.

Certainly, the expectations are high. The NRDP may have been conceived for a noble purpose, but the nobility seems to be offset by all the shortcomings and inadequacies. The government must plug up the loopholes as soon as possible. Most rebel returnees will be judging the current dispensation through the benefits and little comforts they can derive from it. That may sound unrealistic and too demanding; but it must be remembered that these are people who have always been on the losing end of an unjust social arrangement.

The government must do all it can to show these people that they haven't laid down their arms for nothing. President Aquino could start by giving the other agencies of the NRDC a good kick in their butts. So far, it seems that the NRDP is the responsibility of only two or three government agencies that are already running low on resources.

Beaten by a cruel system, the RRs could very well decide one day to go scrambling up again. They won't be carrying anything, not even their old bundles. There's no point in taking a filthy sack of failed promises back to the mountains. The former surrenderees will simply pick up their old lives, or what's left of it anyway. Some of them will probably say that the yellow ribbon on the old oak tree was after all made of plastic, a beautiful decoration indeed. But that won't matter. What we should worry about is when the paltik revolvers are unwrapped, not for the stale tobacco leaves covering them, but for the warmth and comfort offered by the trigger guards.

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#### **NPA Activities Against Vote Buying, Other Corruption**

*42000204e Quezon City NATIONAL MIDWEEK in English 23 Dec 87 pp 20-22*

[Article by Arlene F. Zabarte: "Unhappy Are the Poor, For They Must Sell Their Votes"]

[Text] Let me tell of the May 11 elections in a certain province. Let me begin by telling you why the brother of an official of the province found himself thanking the New People's Army—not within hearing of the rebels, but in the privacy of his bedroom where he keeps his money bags and where he had counted out banknotes to his vote-buyers. We will call him Bruno Nakalamang: a fictitious name for a very real person.

Bruno usually mentions the term NPAs with a string of curse words before and after it. He hates them and what they are fighting for. His animosity is understandable; the NPAs are out to kill off his class, aren't they? The most urgent reason, however, he doesn't care to articulate: the NPAs are also bent on exterminating vice. Sparrow units have shot down a woman pharmacist and a policeman who refused to heed the black-ribboned notes of warning and continued to peddle drugs to adults

and schoolchildren. Maintainers of vice dens and prostitutions houses in the province have received these black-ribboned notes, prompting them to close shop, if only temporarily.

Bruno is a vice lord. With the approval of his brother ensconced in the Capitolyo, he collects "tong" from jueteng operators and hands over the regular take to one of the top honchos in the province. That is, after setting aside the portion intended for the future campaign expenses of his two brothers. He has become very close to the military and plays golf almost every day with the top officers of the provincial command.

President Corazon Aquino's declaration of all-out war against the insurgents encouraged Bruno to take a bolder stance against the NPAs. In fact, he let himself be so inspired by the Alsa Masa as to consider organizing a similar vigilante group for his hometown and, eventually, for the whole province.

But the eve of the May 11 elections found him "nasusuka sa kaswapangan ng mga botante sa pera [vomiting because of the avarice and greed of the voters for money]," while feeling grateful to the NPAs. Which "kaswapangan [covetousness]" his late father had fostered. The old Nakalamang had been one of the robber barons spawned by the import-control era, who, to protect and further his business interests, decided to run for Congress in the 1960s. To defeat the formidable incumbent, he flooded the district with money in a frenzy of vote-buying. He won that time, and also when he ran for re-election; but he spoiled the voters to the extent that they refused to leave their houses unless jeeps and cars ferried them to and from the polling places where they cast their paid-for ballots.

And now the sins of the father were being visited upon his sons. Bruno's other brother was running in the first congressional elections after the toppling of the dictator (for whom, before falling into disfavor, the father had also served as a dummy). The voters were expecting from the son the same largesse the father had accustomed them to. It was for this brother, older than he, that Bruno was holding the purse strings during the May election campaign.

Cause-oriented groups were waging a campaign against the buying and selling of votes. Injunctions like "Sa kapakanan ng bayan, huwag ipagbili ang boto! [For the good of the country, don't sell your votes!]" appeared in blazing red on concrete walls and fences along the highway. For several days before the elections, a jeep went around town with somebody explaining over a loudspeaker how prostitution of the polls would plunge the masses deeper in the quicksand of poverty and degradation. The man in the jeep asked for a conscience vote; he urged the people to elect men with a strong sense of justice and humanism as against those who ran for office out of selfish motives. The jeep carried placards bearing the same messages as those

written in red on the walls and undersigned by the Alliance of Concerned Teachers, or ACT—a group that the main speaker at an anti-communist conference held at the capitol town branded a "communist front."

However, although the Alliance for New Politics, whose candidates were said to be supported by the revolutionary Left, fielded candidates in the province, neither the red graffiti nor the man in the jeep plugged for any of these candidates. Neither did they mention the Partido ng Bayan, two of whose founding members, Bernabe Buscayno and Jose Ma. Sison, didn't rejoin the CPP after their release but were regarded by the NPAs as their "guide and inspiration." The goal of the campaign was to convince the people to express their political will without the influence of the three Gs: guns, goons and gold.

For accuracy, the term "NPA" should be used only to refer to members of the "military arm" of the Communist Party of the Philippines—the "Hukbo," as the members of the "kilusan" or rebel movement call it. However, people have gotten used to using "NPA" to refer to anybody they think is connected with the "kilusan"—from its soldiers to its "kadres" or civilian members in charge of recruiting and propaganda activities, down to the "elementos" or supporters, who lodge and feed the "Hukbo," serve as couriers, and attend rallies and demos sponsored by the movement.

And so, when Bruno Nakalamang expressed gratitude to the NPAs, the people he had in mind were not the Red Fighters, but those young men shod in wornout rubber slippers mounted on rusty, rickety motorbikes who closely tailed the people assigned to disburse the candidates' vote-buying money.

Two days before the election, Bruno noticed two such young men posted a few meters away from his gate. The movements of his own disbursers were also being monitored; each of them were accosted by these motorbike-riding "guards" and asked to surrender any vote-buying money they might be carrying. But Bruno had already disbursed the bulk of this money the day before the young men began their "guarding" activities.

Then on the eve of election day, ward leaders kept asking him for more money, since they had learned that the opposite camp intended to top what the Nakalamang side had given the voters. "Tagilid tayo, boss. Kailangan nating dagdagan ang lagay at baka bumaligtad tayo. [Boss, let's lean a little bit to the other side [i.e., let's be flexible.] We must add a little bit to what we usually give or else we'll be (thrown over) backwards (i.e. we'll be defeated)."] Bruno was faced with a big problem: where to get instant cash. Suddenly came welcome news: the "treasurer" of his brother's political rival was divested by the motorbike group of the P50,000 he was on his way to distribute among ward leaders. The NPAs had unwittingly acted as the Nakalamangs' saving angels. Not only

had the P50,000 been irrevocably denied the voters, any further attempts to go out to buy votes were aborted by the confiscation. And that's why Bruno Nakalamang for once felt grateful to the NPAs.

None of the Partido ng Bayan candidates won in the province. Not for want of a solid platform. The PnB candidates ran on nationalist and pro-people goals: they wanted to free the economy from foreign domination, to liberate the workers and farmers from historical exploitation, to rid the country of American bases and make it nuclear-free. In contrast, the other candidates, including those of the PDP and Laban (supposedly of Christian socialist orientation) avoided a clear stand on these issues, afraid of losing the votes of rightist, pro-American and conservative elements. Most of these candidates had for their main and only platform the announcement, "Itinaas ni Tita Cory ang kamay ko!" ["Tita Cory raised my hand!" (i.e., Auntie Cory has endorsed my candidacy.)]

The last elections came out with a clear message: If you don't have money, don't run, you'll surely lose. This was the common gripe of the losers who appeared on TV talk shows after the elections. Most of the winning candidates in Metro Manila were accused of extensive vote-buying. A losing candidate hurled this charge right in Mel Mathay's face on a TV program. Also on television, Maita Gomez, on the verge of angry tears, described the modus operandi used by Amado Bagatsing to draw away votes from her. We can be sure that the Nakalamangs have their clones by the thousands over the country; we can be sure, therefore, that once more, an elite-dominated Congress will pass the laws for the whole citizenry, of which the rich compose only a tiny but powerful segment.

However painful, we have to admit that it was the poor who sold their votes and thus made possible the entrenchment of another Congress composed mostly of traditional politicians.

As Hilarion Henares Jr. pointed out in his *Inquirer* column before the elections, if the poor knew what was good for them, they should vote for the Partido ng Bayan candidates. For it was this party that had a platform based on the interests of the masses.

The poor comprise the bulk of our society, yet the canvassed votes of what should be their party were so small, media usually didn't bother including these in their listings.

I have stayed in the Nakalamangs' province off and on for years. I have visited in its most affluent homes and gossiped with the distaff side of their owners, but I have also gone up the frail nipa huts and felt the unbelievable misery of their dwellers, invariably a tuberculous couple with a scabbed brood often numbering up to sixteen. I have shaken hands and exchanged pleasantries with the provincial top brass and kept trysts with the "Hukbo"

and its "kadres" for interviews and dialogues. Most of all, many were the evenings that I spent at the corner store, conversing with its habitués, listening, observing, wondering, taking mental notes.

I heard the communal sigh of relief and joy upon the declaration of the ceasefire. In fact, with the ascendancy of the Aquino administration and the affording of "democratic space" to hitherto fugitive groups and ideologies, what could be considered as coexistence came to pass as a matter of course in the towns and barrios of the province. It happened as naturally as when a shoal of fish, dividing in two to avoid a big rock in the stream, merges into one again after the obstacle. Which was to be expected, since many of the NPAs and the "kadres" are each related either by blood or affinity to many of the townspeople. (And this situation, more than any other, continues to put to shame the "sword of war" unsheathed against the rebels.)

And yet, the PnB, which like the NPAs have the interests of the masses at heart, suffered a pathetic defeat in the province.

This wouldn't have happened if the poor had been aware that when they voted a political party into power, they were giving it the power to change society for or against their interests.

But the instinct for survival forces the eyes of the poor on the morsel being thrust under their noses, away from the visions on the horizon. So they sell their votes because this is one way of getting something, however little and seldom, from the moneyed.

And then, feudalist attitudes, habits, perceptions still motivate the masses—especially in rural areas. The cacique-kasama, or patron-client relationship, the framework and trademark of a feudalistic society, dominates Philippine elections. Democracy, instead of killing off this archaic element, let it creep in to gnaw at its vital processes. A deprived and underprivileged person in the Philippines, therefore, tends to vote for the candidate who has granted him favors and/or is a potential protector and dispenser of the means for survival. Is a candidate the kind that will use power only to further personal and class interests to the detriment of the nation and the masses? That, alas, is beyond the impoverished voter's concern.

For a mess of pottage, the poor man sells his future and that of his offspring to the Nakalamangs who want to get into office for the wrong reasons.

Undeniably, the poor need education. Ultimately, Frederick Engels, Karl Marx's faithful friend and ideological partner, had to concede that "revolutions are not won by one mighty stroke," nor can the "revolution of



the minority be turned into the revolution of the majority" without an "intellectual maturity" of the masses. Which intellectual maturity is not a sudden achievement, but which has "slowly to press forward, from position to position in a hard, tenacious struggle."

Perhaps Nelia Sancho of the "Magnificent Seven" had this concept in mind when she said that the PnB didn't really lose in the last elections. "It was not a defeat," she said, her face lit up in a smile, "it was a good beginning!"

/09599

**Editorial Criticizes U.S. on PLO Office**

42000301c Bangkok *THE NATION* in English 88 p 8

[Text] For reasons best known to itself, the US Congress legislated late last year that the Palestinian Liberation Organization (PLO) should lose its observer status at the United Nations and the teams' members should pack their bags and return to the Middle East. The Attorney General's Office was ordered to carry out the legislation and, on Friday, US Ambassador to the UN Herbert Okun submitted the notification to UN Secretary General Javier Perez de Cuellar.

Naturally Perez de Cuellar protested the US decision to end PLO's observer status at the UN and its legal department is looking into whether this violates the UN-US agreement. Before the submission of the letter the Arab states called a special session of the General Assembly on March 2 and it was declared that the US legislation to oust the PLO was in violation of American obligations under the UN headquarters agreement. The 159-member assembly has asked the World Court to rule on whether the US must agree to arbitration. Oral arguments are scheduled for April 11.

Okun's letter demanding the ending of the PLO's observer status by March 21 states that the US decision is in accordance with the Anti-Terrorism Act of 1987. The first to protest the legislation to close the PLO office came, not from the Arabs, but from the US State Department which cited American international treaty obligations regarding the UN. Naturally the Arab states are up in arms and the Arab League secretary general said that it is not only a violation of American treaty obligations but the US also discredited its own peace efforts in the Middle East.

The PLO's observer office was set up in New York mainly to disseminate information—it may even be called a propaganda office but there is nothing wrong about that. To invoke the anti-terrorism legislation is pure hypocrisy since there has never been a hint that the members of the PLO observer team were engaged in any criminal act or conspiracy. The US Congress has been taking a high moral tone since it came under the control of the Democratic Party—aid to the Contras, for instance—that this decision contradicts it and makes prejudice the basis of its deliberations.

Perhaps the saddest man when Okun submitted the letter was US Secretary of State George Shultz who called it the result of a bad legislation and was seeing his two weeks of shuttle diplomacy in the Middle East go up in smoke.

/06662

**Japanese Envoy Predicts Worsening Trade Deficit**

42000301d Bangkok *BANGKOK POST* in English  
14 Mar 88 p 17

[Article by Tanom Pipityakorn: "Kiuchi: Deficit With Japan Will Worsen"]

[Text] Japanese Ambassador to Thailand Akitane Kiuchi has forecast that Thailand's trade deficit with Japan will worsen because of anticipated increases in purchases of equipment and machinery by Japanese companies expanding their production in, or relocating to, Thailand.

Mr Kiuchi's forecasts were published in *JAPAN-THAILAND ECONOMIC RELATIONS: A CENTURY OF FRIENDSHIP*, a journal given to journalists during a recent press tour of Khon Kaen province organised by the Japanese Embassy, Japan's Overseas Economic Cooperation Fund and the Japan International Cooperation Agency.

"The increase in the trade deficit is only a short-term problem, and I'm eagerly looking to a dramatic change in trade figures in three years' time when these firms begin to export their products," he said.

On Thai-Japanese relations, he said: "One of the most painful aspects is Thailand's trade balance with Japan which has been permanently in the red."

This imbalance, Mr Kiuchi said, is inevitable because of Thailand's dependence on Japanese capital goods and equipment to accelerate its economic development.

He added that it was too early yet to predict the effectiveness of Japan's agreed-upon open market policy as outlined in a White Paper drafted in 1985 to review bilateral trade with Thailand from a broader and long-term perspective including such issues as investment and technology transfer.

In 1985-86 Thailand's trade deficit with Japan improved appreciably.

He said the encouraging factors included Japan's lowering of tariffs on Thai boneless chicken and increased imports of ready-to-wear garments. Nevertheless, the bulk of Thai goods exported to Japan still comprise agricultural and agro-industrial products.

**Constant Growth**

Thailand's trade with Japan, which has shown constant growth since the end of World War II so that Japan is now Thailand's largest trading partner, is destined to reach new heights.

The rising yen and its effect on Japanese export prices and trade barriers being erected by key markets overseas has meant Japanese firms are finding Thailand an ideal platform to sell their products and services to their home and overseas markets.

Japanese manufacturers are coming to Thailand because they need low production costs to remain internationally competitive. In most cases, Thailand has been able to provide the right factory site, work force and tax structure. Mr Kiuchi said political stability and international security were also advantages.

"In fact, I don't see anything in particular that Thailand needs to do to improve its ability to attract investment," he said.

Thailand is unique, he said, in that it has been able to "stay on the right track by adhering to its own way of doing business" and by ignoring some other nations which have rushed to emulate the Japanese success story or have embarked on grandiose development schemes. Its free market economy, competence in business dealings and democratic system are advantages which are enjoying increased awareness and popularity in Japan.

More significantly, Japanese businessmen feel very much at home in Thailand, not only because of Thailand's proximity to Japan but also the Thai hospitality and similar socio-political factors. These and the fact Thailand's economic growth is outpacing its neighbours and other nations in Asia-Pacific, make it especially attractive.

Moreover, the reception given to Japanese businesses by the Board of Investment has been very encouraging, he said.

Nonetheless, the "easy going" attitude of the Thais could be a slight drawback, Mr Kiuchi conceded. As an example, he said he was disappointed by the indifference shown towards the ill-fated national fertiliser projects.

/06662

#### **Government To Stop Borrowing From Central Bank**

42000301e Bangkok BANGKOK POST in English 16 Mar 88 p 13

[Text] The Government will stop taking loans from the Bank of Thailand to offset its 1989 budget deficit—the first time such a policy will be implemented—to keep the inflation rate at 4 percent.

Finance Minister Dr Suthee Singsaneh announced yesterday that the Government would borrow about 40,000 million baht only from commercial banks and the Government Savings Bank.

Dr Suthee said the Government decided to stop borrowing from the Bank of Thailand to offset the budget deficit because it considered central-bank loans were not drawn from any production sector and were high-powered money which could easily push up inflation.

He also stressed that borrowings from only commercial banks and GSB would not affect the private sector's investment potential because "the total borrowings of 40,000 million baht, combined with the estimated revenue collection of 230,500 million baht, is equivalent to only about 19 percent of gross national product, which is not high enough to affect private investments."

Dr Suthee said the Government's decision to stop borrowing from the Bank of Thailand was part of its policy to maintain the country's fiscal stability and favourable economic growth.

He also said the Government would at the same time raise the investment budget from 16.6 percent of the total budget this fiscal year to 16.7 percent next fiscal year in order to boost economic expansion and to encourage more private investments.

He noted that this was the first of two main policies in setting the 1989 fiscal budget.

He added that the second one was to distribute income and growth to rural areas by developing and increasing the efficiency of agricultural production, developing water resources, expanding and improving the farm credit extension system, accelerating systematic rural development and creating more jobs.

Meanwhile the Budget Bureau reported to the Cabinet that the economic growth for this and next years was expected to be about the same as in 1987—5.7-5.8 percent—and the inflation rate around 3.9 percent.

The bureau also reported that the trade deficit was expected to be 30,500 million baht and the external debt to gross domestic product ratio was expected to decline from 36.5 percent last fiscal year to 32.5 percent and 28.9 percent this and next fiscal years, respectively, the debt service ratio would go down from 17.8 percent to 17 percent and 16.5 percent, respectively.

In sustaining a favourable economic growth, the bureau said the Government's investment would increase, particularly in infrastructure.

Government agencies, including the Commerce and Industry ministries, the Board of Investment and other related agencies, will jointly encourage and support private investments, particularly in export projects, agro-industries, medium-sized and small industries in rural areas, labour-intensive industries and tourism projects.

/06662

### Central Bank Predicts Growth Rate

42000301b Bangkok THE NATION in English  
21 Mar 88 p 3

[Article by Vachara Charoonsantikul: "Central Bank Expects Much Better Economy; Growth Rate Revised to 6.8 Percent"]

[Text] The Bank of Thailand has revised its 1988 economic growth forecast upward by another percentage point to 6.8 per cent due to the continuing expansion and growth in private sector investment, commercial bank lending and international trade in the first quarter.

This ongoing trend prompted the Bank of Thailand to conduct an in-depth review on the economy during a series of meetings last week, based on five leading economic indicators.

These were investment, credit expansion, external trade and state enterprise and government spending.

Preliminary first-quarter figures show lending by the commercial banking sector in the first quarter grew a marked 23 per cent compared with the same period a year earlier. This has greatly improved bank excess liquidity which shot up to 40,000-50,000 million baht during a recent peak.

Moreover, first quarter bank deposits increased by 20 per cent from the same period last year.

Secondly, new investment in the country has risen strongly with projects promoted by the Board of Investment worth a combined investment of 5,000-6,000 million baht per month since the beginning of this year. More projects, especially for manufactured goods, are expected to be launched throughout this year.

Thirdly, the growth rate in international trade monitored by the Bank of Thailand in the past two months is healthy with exports growing by about 10 per cent from the same period last year. However, imports also rose 37 per cent during the same period.

Fourthly, a Finance Ministry report shows that the debt structure of state enterprises has improved this year as major agencies plan to refinance large amounts of external borrowings totalling 4,000-5,000 million baht.

The Petroleum Authority of Thailand will refinance about 1,600 million baht in yen loans while the National Housing Authority will do away with about 1,000 million baht in foreign borrowing.

Fifthly, the government's budgetary position is now better and it is expected to require less domestic borrowing this year because of increased revenues. In addition, the 4,000 million baht budget deficit expected for this fiscal year is likely to be less.

However, one of the major concerns for the Bank of Thailand is soft loans aimed at reviving the operations of banks and finance companies. The central bank has to extend about 10,000 million baht in soft loans to these ailing financial institutions.

The amount can be broken down into 4,000 million baht for Siam City Bank and Bangkok Bank of Commerce (2,000 million baht each), 3,000 million baht for Thananant Finance and Securities Co Ltd, and 1,500-2,000 million baht for Sakol Real Estate Finance Co Ltd.

Informed sources said the central bank's economic review was conducted by Research Department chief Dr Chaipayat Pibulsawasdi and chosen by Deputy Governor Chavalit Thanachanan because of this cautious, but optimistic view on economic policy.

Dr Vijit Supinit, director of the Banking Department, told THE NATION a short-term view of the economy raises a concern on interest rates because of declining bank liquidity, now estimated at about 20,000 million baht.

He said only a small amount of funds flowed back into the economy after Chinese New Year in February against earlier expectations of a higher inflow. The Government Savings Bank and Krung Thai Bank reported a fund surplus of about 2,000 million baht each while other banks had only small surpluses.

Surging imports and exports in the first quarter were also beyond expectations. Earlier forecasts put import and export growth at only 10 per cent compared with actual growth of 37 per cent and 20 per cent in the first quarter respectively.

Vijit said although large quantities of imports are capital goods and raw materials, there is certain growth in consumer product imports.

He said the surge in commercial bank lending followed a wave of foreign investment in Thailand, especially in electronics schemes. The central bank has looked at the impact on the country's financial position, caused by a rapid rise in foreign investment.

About US\$600 million has been brought into the country via the Bank of Thailand in the first two months, with about US\$45 million marked for actual investment.

Vijit cited two reasons for the foreign funds brought by commercial banks and financial companies. Firstly, they want to reduce overseas assets and secondly, they need the funds to adjust liquidity positions.

According to the central bank official, foreign fund inflows have dropped since the beginning of March, indicating that real direct foreign investment in Thailand is still not significant at this stage. Direct foreign investment has aided the country's balance of payments, which has been at a surplus.

Vijit said continuing growth in various economic sectors has revealed a higher year-round growth than forecast earlier by the central bank. Based on the current momentum, the economy should expand by 6.8 per cent or more this year.

In addition, inflation is expected to be less than four per cent because increases in products and oil prices as well as wages remain relatively low.

To keep inflation at bay, the central bank has tried to restrict increases in money supply by maintaining the rediscount facility at the 34,000-million-baht level. Although about 29,000 million baht has been given, major commercial banks have requested 4,000-5,000 million baht more.

"We intend to supervise commercial bank lending so that they are at a suitable level. After we receive a clear economic picture we will discuss lending policy with the Thai Bankers' Association," he added.

Banks have been pressured by intensifying competition and tightening money supply to offer high interest rates to attract funds. Some banks reportedly give about eight per cent interest to customers, whereas the agreed rates are 7.25 per cent.

A Thai Bankers' Association (TBA) meeting scheduled for this Wednesday is expected to discuss a slight adjustment to interest rates, possibly by half a percentage point for both deposits and short-term loans.

Finance Minister Suthee Singhasaneh said at the weekend that a tight money situation will be avoided with close government efforts while the inflow of foreign funds, such as the ASEAN Fund and Japan Fund should aid the task.

/06662

**Finance Ministry Forecasts Lower Deficit**  
*42000301a Bangkok THE NATION in English*  
18 Mar 88 p 13

[Article by Vatchara Charoonsantikul]

[Text] Buoyancy in the economy and improved tax collections have prompted the Finance Ministry to predict a 4,000-million-baht improvement in the cash deficit forecast for the 1988 fiscal budget.

At a press conference yesterday, senior Finance Ministry officials led by Mora Boonyaphol could not hide their optimism on the outlook for this year's fiscal position.

Cabinet this week approved a budget for fiscal year 1989 (from September 1988-August 1989) projecting a rise in expenditure by 11.1 per cent to 270,500 million baht and revenue by 15.5 per cent to 230,500 million baht.

Next year's budget presents no surprises, with government officials emphasizing the continuity of the "stability with growth" policy.

Finance Ministry officials said since tax revenue for the first five months of the current fiscal year amounted to 84,289.3 million baht, an increase of 26.5 per cent compared to the previous year.

With treasury reserves of 5,000-6,000 million baht, officials can be optimistic in contrast to a point in recent years there wasn't sufficient cash in the national coffers to pay the salaries of state employees.

Not everyone is happy with the situation, however. Long time credit supplier of the Finance Ministry, the Government Savings Bank, is seeing its lending to the government drop significantly to the point where it may not meet this year's loan target.

For the first five months of the current fiscal year, the government's total revenue of 105,653 million baht exceeded expenditure by 27,656.7 million baht. The revenue comprised 21,363.7 million baht in loans.

Expenditure for administration amounted to 54,111.1 million baht; loan repayments, 9,212.9 million baht; and interest and fee expenditures, 14,561.2 million baht.

Deputy Comptroller General Supachai Pisitvanich said it was unclear whether the reduction in the cash deficit would be financed by local borrowings to the budget deficit target since the fiscal position had improved steadily.

For the first five months of the current fiscal year, tax collected by the Revenue Department increased 28.84 per cent compared to the same period last year to 31,829.65 million baht. This figure exceeded the target by 19.35 per cent.

Revenue from personal income tax rose 17.53 per cent to 8,777.44 million baht, 5.5 per cent above the target; corporate income tax rose 22 per cent to 4,471.7 million baht, 35.3 per cent above the target; and business tax rose 36.55 per cent to 17,663.29 per cent, 23.52 per cent above the target.

Revenue from stamp duties increased 54.85 per cent to 720.58 million baht, 67.58 per cent above the target; travel tax rose 16.67 per cent to 161.03 million baht, 5.28 per cent below the target; other income rose 7.42 per cent to 35.61 million baht.

Revenue of the Excise Department rose 12.38 per cent to 25,553.9 million baht. Revenue from the tobacco tax rose 4.44 per cent to 4,250.3 million baht, liquor tax 13.11 per cent to 3,145.1 million baht, beer tax 22.47 per cent to 1,338.8 million baht, soft drink tax 25.63 per cent to 1,263.7 million baht, cement 23.83 per cent to 390 million baht and petroleum products declined 0.27 per cent to 13,049.4 million baht.

The Customs Department reported an increase in tax revenue by 48.71 per cent to 21,491.9 million baht or 40.10 per cent above the target.

About 90 per cent was revenue from import duties. Revenue from import tariffs last month was 4,685.9 million baht, representing an increase of 68.81 per cent compared to the same period last year and 65.58 per cent above the target. Duties from Thai Airways International's new aircraft amounted to 377.5 million baht last month.

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## POLITICAL

### **Soviet-Vietnamese Cooperation in Training Reviewed**

*42090139A Hanoi DAI HOC VA TRUNG HOC CHUYEN NGHIEP in Vietnamese Nov-Dec 87 p 2*

[Article by Nguyen Nga: "Thirty-Six Years of Soviet-Vietnamese Cooperation in Training"]

[Text] The Soviet Union has trained scientific-technical cadres for Vietnam for 36 consecutive years.

By the end of 1986 Vietnam had sent to the Soviet Union 27,020 students (54 percent of the total number of students sent to study abroad). Of that total, 3,245 were research students, 2,988 were students who took practical training, and 20,787 were college students.

1951-1954: 161 overseas students.

1955-1964: 3,911 overseas students (3,478 college students, 262 research students, and 171 practical training students).

1975-1980: 4,261 overseas students (3,526 college students, 568 research students, and 367 practical training students).

1981-1986: 7,663 overseas students (3,070 college students, 850 research students, and 2,135 practical training students).

Of the total of 23,960 graduates of Soviet schools, 116 earned PhDs, 56 percent of total of such degrees earned in socialist countries; 2,543 earned MA degrees, 53 percent of the total earned in socialist countries; 17,432 earned college degrees, 38 percent of the total earned in socialist countries; and there were 2,500 practical training students, 80 percent of the total trained in socialist countries. A total of 1,370 students studied the Russian language.

Of the total of 116 PhDs, 52 were in the natural sciences, 31 were in science-technology, 6 were in medical science, and 18 were in social science.

Of the students now studying in the Soviet Union, 2,844 are college students and 275 are research students. There are 221 secondary school students and 45 are taking mid-level practical training. There are 299 Russian language students and 551 other students taking practical training.

In addition, between 1979 and 1986 the Soviet Union trained for Vietnam 1,949 industrial workers and 461 vocational instructors.

Eleven colleges have trained many students for Vietnam: Lomonosov University, Moscow Energy College, Moscow Geological College, Kharkov Polytechnical College,

Odessa Maritime Engineering College, Leningrad Polytechnical College, Moscow University, Baku University, Moscow Construction University, Moscow Surveying College, Baku Petroleum College, and Moscow Mining College.

In future years, the Soviet Union will expand the scope of training of scientific-technical cadres for Vietnam, with regard to both numbers and trades.

5616

### **Hanoi, Moscow To Cooperate on Broad Scale**

*42090139B Hanoi HANOI MOI in Vietnamese 20 Jan 88 pp 1, 4*

[Text] In order to further concretize the many-faceted cooperation between Hanoi and Moscow, in December 1987 the Hanoi Municipal Party Committee sent a delegation of specialists to visit and work in Moscow. Although it worked in Moscow for only a very brief period, with the all-out assistance of the Foreign Relations Department of the Moscow Municipal Party Committee, the delegation participated in 15 meetings and work sessions with 5 organs of the Moscow Municipal Party Committee (the Foreign Relations Department, the Municipal Planning Commission, the Local Industry General Department, the Public Messing General Department, and the Moscow Construction General Department) and 10 enterprises (three clothing enterprises, a food products enterprise, the "Aurora" shoe enterprise, an engraved artwork enterprise, the "Likachov" (ZIL) automobile manufacturing plant, the Hanoi Restaurant, the Moscow High-Level Party School, and the Lenin Teachers College). During the course of their work the specialist delegations of the two municipal party committees agreed upon a number of contents of the cooperative program, so that they can be submitted to the leadership of the party committees of the two capitals and signed at the beginning of this year. Specifically:

With regard to the plan regarding cooperation between the party organizations, governmental administrations, trade unions, and youth unions, agreement was reached to exchange party and government delegations, and delegations of party lectures, trade union members, Youth Union members, newspaper and radio reporters, and economic, public health, education, and cultural specialists, during the 1988-1989 2-year period.

With regard to industrial production, in addition to making all-out efforts to increase the production goals of the program between enterprises in Hanoi and Moscow to produce light industry goods (clothing and shoe leather) on a contract basis and of the agreement the two governments, the municipalities of Hanoi and Moscow may jointly invest in expanding the capacity of the Son Tay Export Canned Vegetables and Fruit factory, and in

the production of instant coffee. Hanoi may produce for Moscow, on a contracted basis, parts made of bakelite plastic and painted metallic artistic goods.

With regard to restaurant services, the two cities will jointly operate a "Hanoi" restaurant in Moscow and a "Moscow" restaurant in Hanoi.

With regard to labor cooperation, in future years Moscow will require many workers for the light industry, machine-building, communications-transportation, and construction sectors. In 1988, in addition to the state plan norm of 1,150 workers, Moscow many receive from Hanoi 500 to 1,000 construction workers and 1,000 to 2,000 machinery operators. The factories and construction sites of Moscow will be ready to receive workers from Hanoi at the beginning of 1988, and further discussions will be held about the labor cooperation needs in 1989.

With regard to cooperation between the colleges and scientific institutes: "In addition to the enterprises in Hanoi and Moscow which participate in carrying out the missions of the technical advancement program of the member countries of the CEMA bloc, on the basis of agreements signed between the countries and the existing relations among the colleges and advanced schools, supplemented by cooperative relations between the Lenin Moscow National Normal College and the Hanoi Higher Normal School.

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#### **Central and Hanoi Organs Hold Meetings With Ethnic Chinese**

42090144b Hanoi HANOI MOI in Vietnamese  
13 Feb 88 p 4

[Text] VNA—On the occasion of the Tet of the Year of the Dragon, 12 February 1988, the Department of Mass Proselyting of the Central Committee held an informal meeting with the core representatives of ethnic Chinese in the central and Hanoi organs.

At the meeting, Phan Minh Tanh, member of the CPV Central Committee and chairman of the Department of Mass Proselyting of the Central Committee, reported to the audience on the situation of the country after a year of implementing the 6th Party Congress resolution and on the work done by his department for the ethnic Chinese. He reminded the party committee echelons and administration of the need to take positive measures and to show their responsibility toward the ethnic Chinese to assist them in stabilizing their material and spiritual lives.

5598

#### **More Than 90 Percent of Hanoi Party Members Disciplined in 1987**

42090144a Hanoi HANOI MOI in Vietnamese  
10 Feb 88 p 2

[Text] In 1987 the municipality's party organization took disciplinary action against 1,604 party members, or 0.92 percent of its total membership, including giving warnings to 520 of them, dismissing 132, purging 354, and expelling from the party 249. Among those who were disciplined there were 1 Municipal CPV Committee member, 8 members of district CPV committees and standing committees, 1 district party committee deputy secretary, and 262 cadres under the management of ward, district, town party committees and party committees subordinate to the Municipal CPV Committee. Ten party organizations were disciplined, with 7 receiving warnings and 3 reprimands.

The people who were disciplined had committed these wrongdoings: violating policies and the law; abusing power, being corrupt, and pursuing self-interest; stealing socialist properties, maintaining illicit connection, and doing unlawful business; lacking a sense of responsibility, causing damage to state properties, and accepting bribes; harassing and oppressing those people who fought for the protection of law and policies. Many cases which were revealed after Directive 79 had taken effect were considered in time and led to conclusions and disciplinary action. The Tu Liem District CPV Committee also circulated internal notices on the more serious cases in order to achieve educational results. However, to impose disciplinary measures was far from strict in the case of violators being party committee members of the same level and key cadres under party committee management. In the party bases, it often happened that ordinary party members received severe punishment and cadres holding key positions only light punishment for their wrongdoings. On the other hand, there were cases in which decisions on the forms of disciplinary action, including expulsion from the party, were made even before any investigation, careful consideration, and gathering of evidence could be completed to determine the nature of wrongdoings. As a result, action had to be taken again and again in many cases because the party members involved, out of being unjustly punished, appealed such decisions. Other cases had to be left pending for a long time because of waiting for opinions from superior echelons or conclusions from law enforcement organs.

There were cases in which the appropriate principles and procedures were not followed, nor were the democratic rights of party members subjected to disciplinary action fully respected and ensured. Some party chapters held meetings to consider disciplinary action even before letting the party members concerned review their own wrongdoings, and did not let them attend such meetings. In a study of 498 cases, it was found that the right action had been taken in 96 percent of them. It was noteworthy that many localities had neglected party discipline and



had failed to carry out disciplinary measures against the party members who had committed wrongdoings. In the cases of light or no punishment being imposed, the people involved were mostly those who held good positions or were key leading cadres.

The Control Committee of the Municipal CPV Committee came to check in 2 localities and found that 3 of 10 wrongdoers had received light punishment, and that no action was taken by the party committee echelons in 11 cases of shortcomings. A village people's committee chairman who was also party committee deputy secretary was spared any punishment even though he had violated the land distribution principle, had allowed a land tenant to sell the land he leased, and had ordered unlawful arrests and detention of people. In Duong Lieu and Minh Khai Villages, 50 party members who had committed shortcomings were not punished. Following the check five people were ordered to be immediately expelled from the party.

In 1987 there were 134 letters of complaint having to do with discipline, with 61 percent of them suggesting expulsion. One hundred five cases were resolved, an increase of 20 percent over 1986. The districts that did a good job in resolving the complaints were Me Linh, Ba Vi, Dong Anh, and Thanh Tri.

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## MILITARY

### **Rapid Deterioration of Naval Equipment Noted** *42090136A Hanoi QUAN DOI NHAN DAN in Vietnamese 5 Jan 88 p 2*

[Article by Truong Van Tien: "Prevent the Rapid Deterioration of Weapons, Raise the Technical Coefficient in Naval Group M46"]

[Excerpts] In recent years, the storage and maintenance of weapons and equipment to serve the training and combat readiness missions have encountered many difficulties in Naval Group M46. A matter worthy of concern is that the situation of breakage, rusting, and rapid deterioration has still not been overcome. According to statistical data obtained in the course of inspections, the amount of equipment that must be destroyed every year is rather large, in some years tens of tons. That does not include other equipment which has deteriorated and can no longer be used in combat. The continuation of that trend will not only affect the unit's training and combat readiness missions but also cause great damage to the property of the army and the state.

We posed that question to the commanders of Group M46, who said that that was a problem which could not be resolved by Group M46 alone but which also required

the support and assistance of the masses and the upper echelon. That does not mean that the Group has just sat back and waited, without actively seeking ways to overcome the problem.

A reality that must be recognized is that the volume of weapons and equipment supplied annually to units on islands includes many types, at a time when the technical cadres are weak and insufficient, and are part of the regular organization only at the brigade level. Furthermore, materials supplied by the upper echelon—especially such types as paint, oil, and grease—are not supplied in sufficient quantities and are supplied in accordance with the same system applied toward units on the mainland. The units dispersed on the islands operate over a large area and the wind, waves, sand, and saltwater continually exert a terrible effect on the durability and quality of weapons and equipment.

Under such conditions and circumstances, there still exists in the unit the attitude that the technical work is a concern only of the technical sectors and departments. The other sectors and departments are not concerned with the units' technical work but only perform support functions, while responsibility for maintenance and repair is assigned to the lower echelon, which assigns it to the units, which in turn assigns it to the enlisted men. The commanders and the people in charge know little about how much the men have done or how well they have done it. The command cadres lack concern and seldom carry out inspections or exercise supervision, so although there are daily, weekly, and monthly technical routines they are not strictly observed and maintenance and cleaning are carried out superficially and perfunctorily.

The maintenance of weapons and equipment in Naval Group M46 has improved. The command cadres of all echelons and sectors have shown more concern for the technical work and are making many all-out efforts to gradually bring about real effectiveness in the maintenance work in order to fulfill well its missions of training and maintaining readiness to fight to defend the islands and waters of the fatherland.

5616

### **Army Unit Member Complains of Injustices** *42090136B Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Jan 88 p 2*

[Text] Our unit fulfills a combat mission in Ha Tuyen, face-to-face with the enemy. With the passage of time we have come of age in the course of our feats of arms and life-or-death battles with the enemy in the hotly contested area of Vi Xuyen.

Since 1979 the unit has arduously to defend each inch of the fatherland, has endured sacrifice combat in that area, with tons of enemy shells falling every day on the strongpoints on Mt Dai, Co Ich, Elevation 1100, the Bon Ham area, etc. Everyone can see what challenges the troops there have endured!

We never want to boast of our accomplishments because we are Youth Union members and "troops of Uncle Ho," but social reality and the specific conditions in the unit have caused us to have many worries. Many people who have achieved outstanding merit in combat have not been provided jobs by the army after they have completed their service. To get a job they must run about and must sell possessions to obtain money to bribe people. In Military Region 2 and in many others places there has arisen the situation of the children of high-ranking cadres and unit commanders, who have achieved no merit in combat and who have served only briefly in the army, being selected to work abroad. There are also instances of soldiers who have fulfilled their missions well and achieved merit in combat not being admitted to study in the schools or not being assigned to work abroad.

Many youths who were on leave at their homes far away, in Nghe Tinh, Binh Tri Thien, and the Ha Nam Ninh coastal area put on their backpacks and returned to their unit when they learned that the enemy had attacked Ha Tuyen, and fought victoriously. However, when being considered for awards, and when their service time was being computed to determine when they would be discharged, they received no preferential treatment and were not worthily rewarded. We think that because they voluntarily returned to their unit when the fighting broke out to punish the invaders, that may be called an heroic act, one sufficient to be considered for an award. However, the commanders did not know about it.

Many members of our unit refer to instances of many recommendations that the upper echelon consider such matters, but of not seeing that anything happens, as "the water continues to run, the lotus flows along."

We believe that that situation should not be prolonged, which will affect the efforts and maturation of our youths.

Nguyen Hong Linh Groups S14, Military Region 2

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## ECONOMIC

### Major Log Deal With Thailand Reported in BANGKOK POST

42000280e Bangkok BANGKOK POST in English  
23 Feb 88 p 6

[Article by Kavi Chongkittavorn: "Thailand in Major Log Deal With VN"]

[Text] A Thai company last week bought 37.5 million baht worth of logs from Ho Chi Minh City. It was the largest single-item trade deal so far this year.

Business sources told The Nation the 5,000 cubic metres of logs, which are scheduled to arrive later this month, is part of 50,000 cubic metres, worth about 375 million baht, that a Bangkok-based company is planning to buy from Vietnam this year.

The 375-million-baht deal, if completed, will be the largest single-item trade deal ever between Thailand and Vietnam.

The deal was agreed upon last week in Ho Chi Minh City between Saigon Vientiane Import and Export Company and a Thai representative, sources said.

The imported logs will be for the furniture and pinewood industries and will be re-exported to European markets.

Meanwhile, a representative of Sirichai Fishing Co returned from Ho Chi Minh City after re-negotiating with Vietnamese authorities to allow more trawlers to fish in their waters.

Last month, the company signed an agreement with Ho Chi Minh-based Sea Produce Export Corporation allowing seven Thai trawlers to fish legally inside Vietnam for the first time, beginning at the end of this month.

About 100 Thai trawler owners have signed up with Sirichai, to send trawlers to Vietnamese waters.

Sources also said the new Bangkok-Ho Chi Minh City air route was disappointing. During the past three weeks, there was a small number of passengers.

Thai International on Feb 5 began weekly flights, carrying about 60 passengers during the inaugural flight and about 120 in the second flight. But only 30 passengers were in the third flight last week.

Sources said public relations work is needed to promote the new route, which competes with Air France. The French airline was the first to obtain rights to fly this route.

The amount of cargo intake on the Thai flights was also under the target, according to sources. Expensive cargo fees were cited as the main obstacle.

Sources said that in Vietnam, each airline is allowed to have only one station master. Since there are two destinations—Hanoi and Ho Chi Minh City—where the Thai airline is operating, making promotions is more difficult.

It would take the initiative of the foreign Ministry to negotiate with Vietnam to open an extra office in Ho Chi Minh City. At the moment, Air Vietnam handles all ticketing for Thai International in Ho Chi Minh City.

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**Hanoi Fails To Meet Bond Purchasing Norms**  
*42090138A Hanoi HANOI MOI in Vietnamese*  
17 Jan 88 pp 1, 4

[Text] Hanoi has fallen short of its goals regarding the purchasing of government bonds, fulfilling only 69 percent of the plan assigned by the central echelon and 38 percent of the local construction plan, which is unworthy of the capital's position and capability.

In addition to the principal reason—leadership and guidance by the party committees and governmental administrations from the municipal level down to the basic level—there are other, no less important, reasons.

First of all, few people have purchased large-denomination bonds, although capabilities for doing so are very great. Only 32 people have purchased bonds in denominations of between 100,000 and 500,000 new dong. In nearly all of the wards and districts, only one-fourth to one-third of the households purchase bonds. The rest purchase none at all, not even low-denomination bonds. Many households and individuals are still hesitant and do not have confidence in the state's bond insurance. That shows that the mass media have not widely propagated the political significance and economic benefits of bonds, and the responsibility and obligation of patriotic citizens toward that campaign. Therefore, the purchasing of bonds is now at a standstill.

At the markets, there are still many merchants who have not yet purchased bonds. It was expected that 45 million dong worth of bonds would be purchased at the Dong Xuan and Bac Qua markets, but in fact only 7 million dong worth have been purchased. At the Nghe market in Son Tay, it was estimated that 3 million dong worth of bonds would be purchased, but in fact only 1 million dong worth have been purchased.

It is noteworthy that there are still many central-echelon organs in Ba Dinh Ward, including many departments and sectors of the party, and many ministries, general departments, departments, institutes, etc., which have not yet purchased bonds. Among the cadres, workers, and civil servants a widespread phenomenon is average purchasing. Some cadres who have gone abroad many times, who have returned after serving as a technician abroad, or who go abroad to work and send back many motorbicycles, bicycles, etc., only buy bonds in 1,000 dong or 500 dong denominations, or do not buy any at all. Many party members are not exemplary in buying as many bonds as they can, or do not buy any, especially the heads of organs and enterprises, which adversely affects the campaign.

In the army, there is a movement among the enlisted men to buy bonds, but none among the officers and leadership cadres in the general departments, departments, institutes, national defense enterprises, and units stationed in Hanoi.

We think that in order to respond to the city's concentrated campaign, between 21 and 31 January 1988, the cadres and party members must be exemplary and encourage everyone to buy bonds. Attention must be paid to people who are capable of buying bonds, especially people with sources of income abroad, people who have secondary businesses, and the big merchants at the markets and on the streets. At least 85 percent of the collective peasant and small industry-handicrafts workers should be persuaded to buy bonds. People with high incomes should buy high-denomination bonds. During the wedding season the Trade Union, the Youth Union, and the subwards should encourage those organizing the weddings to economize on expenditures in order to buy bonds to give to the brides and bridegrooms. Duc Kien (Hoan Kiem Ward)

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**Column Stresses Need for Cash, Fighting Inflation**  
*42090143c Hanoi NHAN DAN in Vietnamese*  
29 Feb 88 p 1

[Words and Deeds Forum column by Nhan Nghia, Ba Dinh Ward, Hanoi: "Enough Cash Is Needed for Circulation"]

[Text] The Sixth Party Congress Resolution clearly states: "The press is the voice of the party and at the same time echoes the voice of the masses." NHAN DAN is the official organ of the CPV and at the same time the forum of the majority of the people.

NHAN DAN has so far printed many articles and news items from all strata of the population and offered on pages 2 and 3 specialized forums, as well as a regular "Readers' Opinion" column. Articles written by nonprofessional writers have often taken up more than 50 percent of the total space in an issue. Beginning today, on page 1, NHAN DAN opens a column entitled, "Words and Deeds Forum," and also keeps the specialized column of "Carry out the Great Movement, Advocate What Must Be Done Right Away."

The "Words and Deeds Forum" column will print opinions of cadres and people raising questions and asking for new policies in any fields as the space where people discuss national affairs and act together to let the country achieve progress in its renovating task.

In a goods-producing economy it is necessary to use money and to deal in money.

We all know the adverse effects of inflation on the socioeconomic life. The reason is inflation leads to rising prices, which bring with them increases of spending for wages and wages-related items, makes budgetary spending grow, hence more inflation, and creates a vicious cycle that quickly becomes worse everyday.

But there is another phenomenon that is very abnormal—the shortage of cash that makes it impossible to satisfy the needs of normal economic activities. When the time comes for us to buy grain and other farm products and when farmers need to sell their products, we do not have enough money to buy them; for instance, some eastern Nam Bo provinces were able to buy only 15 percent of the farm commodities offered because of irrational price policies and a lack of cash. Two things would happen in this case: either the state organs would have to wait until they could buy with cash, often at higher prices because they already missed the low prices, or private business people would throw in their cash and buy the goods that were supposed to be bought by the state. Shortage of cash is a reason that makes the state organs fail to get hold of the goods and find it more difficult to do business; since private business people hold an important part of the goods, they are masters in the market and are free to make prices go up, which means spending will again rise and inflation will get worse, hence the creation of the vicious cycle. We do not mention here other effects of cash shortage—delay in paying or failure to pay salaries of cadres, workers, teachers, and physicians; lack of money to pay for items related to the social policy, a source of bad social psychology prevailing in some localities, like what happened before the Tet of the Year of the Dragon.

Let us mention another abnormal situation created by shortage of cash. When the state lacks cash and the bank is not ready to dispense cash to clients, a normal happening will be many organs and enterprises having to keep cash reserves for themselves in order to do business and to make purchases. Many small reserves will add up to become large reserves, which means the bank is bypassed, fails to get hold of cash, and so on.

That is the current state of money circulation, with the inflationary trend going along with a shortage of cash.

The resolution of the Fourth Plenum of the CPV Central Committee (Sixth term) points to the need to “quickly increase the flow of money through the bank, ensure satisfying the need for cash of producers and business people....” We need to try to channel our cash operations in that direction. We must reduce inflation, quickly increase the flow of money, use the payment methods that do not use cash, strengthen cash management, and reduce the need for cash in circulation, but at the same time we must also make sure to have the fixed amounts of cash needed to spend on what is absolutely necessary at the right time and to a proper extent, such as purchasing farm products and raw materials, paying salaries of cadres, workers, and soldiers on time, and so on. To let a cash shortage lead to an impasse in production and business, hence deprivation of goods for domestic consumption and export, means to limit revenues and thus to make the inflationary trend even worse.

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## 1987 Export Achievement Figures Released

42090143b Hanoi NGOAI THUONG in Vietnamese  
15 Jan 88 p 1

[Article: “1987 Export Achievements”]

[Text] Export value reached 100 percent of the goal set in  
the state plan, an increase of 8 percent over 1986; export  
to the socialist countries, 92 percent, an increase of 9.8  
percent over 1986.

The following figures show the export achievements  
made by the ministries and sectors:

	Percent of Goal
Ministry of Agriculture and Food Industry	69.1
Ministry of Light Industry	67.8
Ministry of Foreign Trade	167.6
Ministry of Marine Products	121.7
General Rubber Department	111.3
Ministry of Energy	45.4
Ministry of Forestry	179.5
Ministry of Domestic Trade	147.0

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	Percent of Goal
Ministry of Public Health	200.0
Ministry of Engineering and Metals	103.6
Ministry of Building	25.0
Electronics General Department	65.2

Of 31 central general corporations and import-export corporations only 18 units fulfilled and overfulfilled their plans: Medical Import-Export Corporation, 14.4 million rubles-dollars (200 percent); Vegetable Oil-Exporting Corporation, 9.3 million (186 percent); Forest Products Import-Export General Corporation, 37.7 million (179.5 percent); Domestic and Cooperative Import-Export Corporation, 10 million (147 percent); Minerals Import-Export General Corporation, 8.9 million (127.1 percent); United Import-Export Corporation I, 21 million (123 percent); Marine Products-Exporting Corporation, 73 million (211.7 percent); Farm Products Import-Export General Corporation, 45.5 million (120 percent); Machinery Import-Export General Corporation, 7.8 million (114.7 percent); Sundries Import-Export General Corporation, 16 million (114.3 percent); Rubber-Exporting Corporation, 33.4 million (111.3 percent); Handicraft and Art Articles Import-Export General Corporation, 54 million (110.2 percent); Tea-Exporting Corporation, 20.8 million (109.5 percent); Animal and Poultry Products Import-Export General Corporation, 19.5 million (105.9 percent); Textile Import-Export Corporation, 60.4 million (105.2 percent); Engineering Products-Exporting Corporation, 5.8 million (103.6 percent); Rattan and Bamboo Import-Export General Corporation, 31 million (103.3 percent); and Import-Export to Cambodia Corporation, 3.6 million (102.9 percent).

Many major export items showed good achievements and large increases over 1986, such as knitted garments, increasing 74.6 percent; coconut oil, 63 percent; cashews, 58.2 percent; art articles, 52.2 percent; pepper, 51.3 percent; processed meats, 47.4 percent; cinnamon, 45.4 percent; unshelled peanuts, 39 percent; towels, 31.2 percent; color sandals, 29 percent; canvas shoes, 25 percent; articles made of rush and corn and coconut fibers, 19.1 percent; rubber, 14 percent; coffee beans, 13.7 percent; jute rugs, 8.5 percent; embroidered articles, 8.1 percent; and tin, 7.6 percent.

The localities that were allowed to handle direct import-export activities also obtained good results, increases ranging from 3 to 433 percent over 1986: Ho Chi Minh City obtaining 89.2 million (in foreign currencies); Vung Tau-Con Dao, 13.5 million; Hau Giang, 11.1 million; Quang Nam-Da Nang, 8 million; Hanoi, 7.7 million; Nghia Binh, 4.8 million; Haiphong, 4.3 million; Cuu Long, 3.2 million; Phu Khanh, 1.6 million; Tay Ninh, 1.5 million; Quang Ninh, 1.2 million; Dong Nai, 1 million; Ben Tre, 1 million; and Nghe Tinh, 0.2 million.

### Mekong Delta Population Increase Called Worrisome

42090137A

Hanoi QUANDOINHANDAN in Vietnamese 5 Jan 88 p 3

[Text] VNA—In comparison to the national rate of population increase, the population increase rates of the Mekong Delta provinces are truly worrisome. The populations of Tien Giang, Kien Giang, Cuu Long, Hau Giang, and the other provinces are increasing by at least 2.2 percent.

At those rates, in the next 3 years the population of the Mekong Delta will increase by more than 1 million, which will affect the people's material and spiritual lives in many ways.

The surveys and studies of population researchers have brought out many reasons for that situation, such as the sectors and echelons not yet fully realizing the harm caused by increasing population and not yet guiding the organization of a planned parenthood campaign, and not yet enabling the masses to profoundly understand the close relationship between the family and society. A study at Dac Binh Kieu Village in Thap Muoi District, Dong Thap Province, showed that 15 women in the 17-18 age group had given birth, 12 women in the 22-23 age group had given birth three or four times, and more than 300 women in the 49-50 age group had given birth five to eight times.

More than half of the women in the Mekong Delta provinces are illiterate and live scattered about in areas in which travel is difficult, conditions are unsanitary, and superstition is still prevalent. In many areas deep in the interior, birth control measures and abortions are not yet carried out well. Some places carry out planned parenthood but do not have technical specialities, which exerts an adverse influence on the psychology of mothers.

In order to attain a birth rate of about 2 percent and a population increase rate of 1.5 to 1.7 percent in that region, the provinces must make the mass associations and relevant sectors responsible for closely guiding the family planning campaign and take positive steps to create material conditions to support the implementation of the campaign. There must be a comprehensive social policy regarding population consisting of many aspects related to mothers, children, and men, to control population increase in nine Mekong Delta provinces.

Over a period of more than 10 years, since the liberation, agriculture in the Mekong Delta has undergone development with regard to cultivated area and grain output. Between 1974 and 1985 the grain output increased by an average of 400,000 tons a year, but because of the

population increase, every year there are areas in all provinces which suffer food shortages several month. The public health sector carried out a study in a number of villages in Long An, Kien Giang, and Minh Hai discovered that between 34 and 40 percent of the children were malnourished. That is a matter worthy of concern in an area which has economic potential and is rich in rice, seafood, hogs, and ducks.

In brief, the economic-social problem that is posed for the party committees and administrations of the Mekong Delta provinces is to pay special attention to guiding population planning, a task which is still very weak and is beset with many deficiencies.

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