

006039

JPRS-SEA-85-127

19 August 1985

**DISTRIBUTION STATEMENT A**  
Approved for public release  
Distribution Unlimited

# Southeast Asia Report

19980729 151

DTIC QUALITY INSPECTED 3

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

7  
125  
A06

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

19 August 1985

## SOUTHEAST ASIA REPORT

## CONTENTS

## AUSTRALIA

## Briefs

South African Sanction	1
South African Cricket Tour	1
Wage Restraint Issue	2
Medical Supplies to SRV	2
Committee on Anti-Anzus Groups	2
Antarctic Treaty Moves	2

## INDONESIA

Paper Warns of Problem of Communist Remnants (Editorial; BERITA BUANA, 22 Jul 85) .....	4
Scandinavian Countries Wish To Be IGGI Members (ANTARA NEWS BULLETIN, 4 Jul 85) .....	5
World Bank Statement on Project Management Denied (ANTARA NEWS BULLETIN, 7 Jul 85) .....	6
Seoul To Ask for Relaxation of LNG Export Regulation (ANTARA NEWS BULLETIN, 9 Jul 85) .....	7
Foreign Reporters Visit East Timor (ANTARA NEWS BULLETIN, 3 Jul 85) .....	8
Nurtanio, Fokker Sign Cooperation Agreement (ANTARA NEWS BULLETIN, 3 Jul 85) .....	9
R&D Cooperation With FRG Discussed (ANTARA NEWS BULLETIN, 4 Jul 85) .....	10
Bengkulu Province To Make First Coal Export Shipment (ANTARA NEWS BULLETIN, 5 Jul 85) .....	11
Marathon Discovers Recoverable Oil (ANTARA NEWS BULLETIN, 27 Jun 85) .....	12

Mobil Oil To Continue Oil, Gas Prospecting (ANTARA NEWS BULLETIN, 4 Jul 85) .....	13
Japan Abolishes Import Duty on Palm Oil (ANTARA NEWS BULLETIN, 8 Jul 85) .....	14
Malaysia Needs More Indonesian Workers (ANTARA NEWS BULLETIN, 28 Jun 85) .....	15
430,315 New Government Employees To Be Appointed (ANTARA NEWS BULLETIN, 1 Jul 85) .....	16
South Kalimantan Expanding Rice Cultivation Area (ANTARA NEWS BULLETIN, 27 Jun 85) .....	17
Minister on Burned-Out Plantations in Sumatra (ANTARA NEWS BULLETIN, 1 Jul 85) .....	18
Plantation Fire in North Sumatra Reported (ANTARA NEWS BULLETIN, 3 Jul 85) .....	19
JIA Named Soekarno-Hatta International Airport, Inaugurated (ANTARA NEWS BULLETIN, 5 Jul 85) .....	20
 LAOS	
PASASON Hails Anniversary of Women's Union (KPL, 20 Jul 85) .....	21
 Briefs	
DPRK Film Show	22
Trade Delegation to India	22
SRV Geology Delegation	22
Local Party Meeting	22
Minute Signed With Hungary	23
Indochinese Aviation Conference Opened	23
Medals to Lao-Vietnamese Team	23
Soviet Friendship Hall Inaugurated	23
Ambassador to Nicaragua	24
Indochinese Civil Aviation Memorandum	24
 NEW CALEDONIA	
Independence Leader Meets New Zealand Prime Minister (AFP, 30 Jul 85) .....	25
No French Protest Over Airspace Violation (AFP, 30 Jul 85) .....	27
 NEW ZEALAND	
Editorial Lauds Forthcoming Papal Visit (THE EVENING POST, 13 Jun 85) .....	28
Sydney Daily Analyzes Lange Political Slide (THE SYDNEY MORNING HERALD, 17 Jun 85) .....	30

Exports to Japan Grow by 5 Percent (David Porter; THE EVENING POST, 15 Jun 85) .....	33
Article, Graph Analyze Politics of Tax Reform (Simon Collins; THE NEW ZEALAND HERALD, 13 Jun 85) .....	35
Government Brief 'Assumes' 10 Percent Pay Increase (THE NEW ZEALAND HERALD, 13 Jun 85) .....	41
Reportage, Reactions to 1985 Budget (Various sources, various dates) .....	43
Growth Forecast	43
Business Approval	45
FOL 'Concern'	46
Editorial Analysis	47
Opposition Cites Tax Increase	48
Editorial Links Compulsory Unionism, Debt (THE EVENING POST, 15 Jun 85) .....	50

PHILIPPINES

Briefs	
Troops Hunt NPA	52

THAILAND

Prem To Meet With Sihanouk at UN in September (THE NATION, 26 Jul 85) .....	53
Trade Delegation To Visit PRC, Japan, ROK (BANGKOK POST, 24 Jul 85) .....	54
Daily on Assembly Absence of 'Military Senators' (Editorial; BANGKOK POST, 23 Jul 85) .....	55
Opposition MP Calls for Cabinet Reshuffle (THE NATION, 24 Jul 85) .....	57
Minister Names New Cabinet Secretary General (BANGKOK POST, 26 Jul 85) .....	58
Nation on Upcoming Border Talks With Laos (Editorial; THE NATION, 29 Jul 85) .....	59
Daily on Delegation's Upcoming Visit to Laos (Kawi Chongkitthawon; THE NATION, 29 Jul 85) .....	61
Daily Raps Jenkins Bill as Discriminatory (Editorial; THE NATION, 25 Jul 85) .....	64

Seized Chamoi Valuables Worth 50 Million Baht (BANGKOK POST, 25 Jul 85) .....	65
Highlights of Sixth 5-Year Development Plan (BANGKOK POST, 26 Jul 85) .....	67
Daily Summarizes Economic 5-Year Plan (BANGKOK POST, 26 Jul 85) .....	70
Official Denies Chamoi Money To Go to Taxes (BANGKOK POST, 27 Jul 85) .....	81
Foreign Ministry on Malaysian Border Fence Plan (THE NATION, 24 Jul 85) .....	82
Police Seize Gold Bars, Cash From Chamoi's House (THE NATION, 24 Jul 85) .....	83
Thailand's F-16's To Be Deployed in Bangkok (THE NATION, 28 Jul 85) .....	85
Briefs	
Diplomatic Relations With Honduras	86

#### VIETNAM

#### MILITARY AFFAIRS & PUBLIC SECURITY

Ministry Marks 40th Security Forces Anniversary (QUAN DOI NHAN DAN, 11 Jun 85) .....	87
---	----

#### INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN on Clark Amendment, U.S. Angola Policy (VNA, 24 Jul 85) .....	88
NHAN DAN Article Praises Cuban Revolution (VNA, 26 Jul 85) .....	89
Transport Union Honored for Work To Help Laos (VNA, 24 Jul 85) .....	91
Bangkok Papers Criticize Thai Trade Policy (VNA, 24 Jul 85) .....	92
SRV Delegate Speaks at World Women's Conference (VNA, 23 Jul 85) .....	93
Hanoi Scores Thailand's 'Erroneous' Policy (Hanoi International Service, 25 Jul 85) .....	94

Amity Groups Send Solidarity Message to Angola (VNA, 24 Jul 85) .....	96
Table of Contents From Foreign Trade Journal (NGOAI THUONG, Mar 85) .....	97
<b>Briefs</b>	
GDR Solidarity Get-Together	99
Wheat Agreement With India	99
Truong Chinh Greet Maldivian President	99
Cuban Customs Delegation	99
<b>PARTY ACTIVITIES AND GOVERNMENT</b>	
<b>Briefs</b>	
Hanoi People's Council Meeting	100
Lam Dong Party Meeting	100
Nghia Binh Party Meeting	100
Dong Thap Party Conference	101
<b>ECONOMIC PLANNING, TRADE AND FINANCE</b>	
Both Rural, Urban Family Sideline Businesses Important (Ha Thanh; DOC LAP, 26 Jun 85) .....	102
Garden, Fish Pond, Livestock Form Perfect Ecosystem (Nhat Linh; DOC LAP, 26 Jun 85) .....	105
<b>AGRICULTURE</b>	
Radio Reports on Crop Ravages by Drought, Insects (Hanoi Domestic Service, 21 Jul 85) .....	107
Guidelines for Exploiting Marine Life Given (Ho Tho; TAP CHI HOAT DONG KHOA HOC, May 85) .....	109
<b>Briefs</b>	
Autumn Rice Crop Planting	115
Nationwide Emulation Drive	115
Kien Giang Fishery Development	115
Cuu Long Rice	116
Ha Bac Grain Delivery	116
<b>HEALTH, EDUCATION AND WELFARE</b>	
Long An Develops Agriculture, Education (VNA, 28 Jul 85) .....	117
<b>Briefs</b>	
Revolutionary Base Renovation	118
Mathematics Conference	118

AUSTRALIA

BRIEFS

SOUTH AFRICAN SANCTION--The foreign affairs minister, Mr Hayden, has said Australia might impose economic sanctions against South Africa even if the United States vetoes the proposal put to the UN last week. Speaking on television, Mr Hayden said although the government had backed French calls for economic sanctions, he could not say what the sanctions would be. Mr Hayden said the Trade Department was undertaking a comprehensive review in a much more explicit series of areas where there are support policies which promote commercial contacts with South Africa. Earlier, the immigration minister, Mr Hurford, supported the UN move toward travel sanctions against South Africa. Mr Hurford said that Australia was playing an important role, having been one of the promoters of the latest UN Security Council resolution calling for voluntary economic sanctions. He said Australia's policy of no sporting contact also helped focus attention on the apartheid issue. But Mr Hurford said Australia could not go it alone in applying trade sanctions. [Text] [Melbourne Overseas Service in English 0430 GMT 28 Jul 85]

SOUTH AFRICAN CRICKET TOUR--The prime minister, Mr Hawke, has again appealed to the members of the unofficial Australian cricket team to cancel their tour of South Africa. Mr Hawke said he was disappointed that the tour was going ahead following an out-of-court settlement of legal action by the Australian Cricket Board against team members. The board has announced that it has given up its legal efforts to stop the tour scheduled to begin on 1 November. However, 14 members of the team have been banned from Australian representative cricket for at least 3 years. Mr Hawke said it was still not too late to cancel the South African tour and he hoped that team members would take note of the growing reaction around the world to what he termed the disaster of South Africa. Mr Hawke urged the players to think again and not as he put it give comfort to a regime which is increasingly horrifying the rest of the civilized world. [passage on Bishop Tutu's statement omitted] [Excerpt] [Melbourne Overseas Service in English 0130 GMT 31 Jul 85]



19 August 1985

WAGE RESTRAINT ISSUE--There is further tension between the federal government and the trade union movement over possible future wage increases. The prime minister, Mr Hawke, has appealed to unions to accept a slower rate of growth in wages to preserve jobs and the benefits of the devaluation of the Australian dollar. However, in his speech to economists in Sydney, he warned that the drop in value of the dollar could lead to an increase in the rate of inflation, especially if unions sought wage rises to compensate for the effects of the devaluation. However, the president of the Australian Council of Trade Unions, Mr Dolan, says there is a great difference between the union movement and the government on the issue. He said the government's stance against wage rises is unacceptable. Mr Dolan says wage earners have already practiced wage restraint in times of high economic growth, but trade unions cannot accept this any longer. In his speech, Mr Hawke said the stimulus to the economy caused by devaluation could create 100,000 new jobs. However, he said, for this to happen, there had to be a slower rate of growth in wages. [Text] [Melbourne Overseas Service in English 0130 GMT 31 Jul 85]

MEDICAL SUPPLIES TO SRV--Australia is to provide urgent medical supplies to Vietnam to help cope with an encephalitis epidemic. Radio Australia's Canberra office says Australia will airfreight a special medical solution worth about \$35,000 to help counter an encephalitis outbreak sweeping 14 provinces in Vietnam. Our office says it is estimated that more than 250,000 Vietnamese children will benefit. The Australian minister for foreign affairs, Mr Hayden, says the grant forms part of the government's humanitarian response to world disasters. [Text] [Melbourne Overseas Service in English 1230 GMT 31 Jul 85]

COMMITTEE ON ANTI-ANZUS GROUPS--The federal executive of Liberal Party has set up a committee to counter the activities of antinuclear and similar groups who are opposed to ANZUS alliance. This has been disclosed by Senator Durack at a conference of the West Australian division of the party. The treaty between Australia, New Zealand, and the United States has been under threat since New Zealand's Labor Government decided not to allow port visits by nuclear-powered or-armed ships. He said that with the rise of organizations like the Nuclear Disarmament Party, the Liberals had decided they had to press more forcefully their arguments for the traditional ANZUS alliance. Senator Durack said that the Peace Through Security campaign led by the federal opposition spokesman on foreign affairs, Mr Macphee, wanted to prevent the spread of anti-alliance feeling which had happened in New Zealand. [Text] [Melbourne Overseas Service in English 0430 GMT 28 Jul 85]

ANTARCTIC TREATY MOVES--Australia is involved in moves to head off fresh attempts by developing countries to wrest control over Antarctica from a group of 16 Antarctic Treaty partners. A Radio Australia correspondent at the United Nations, (Andrew Kruger), says a high-level private meeting of treaty partners was chaired by Australia's UN

ambassador, Mr Woolcott. The meeting followed a warning on Tuesday by Malaysia's UN Ambassador Mr Zainal S. Abidin that his country will pursue vigorously the issue of who should oversee Antarctica at the next General Assembly session. Nations which have signed the Antarctic Treaty now have exclusive control over the Antarctic Continent. After the meeting, Mr Woolcott said the treaty partners were unified in their continuing opposition to what he termed the institutionalizing of UN involvement in Antarctica. [Text] [Melbourne Overseas Service in English 0830 GMT 1 Aug 85]

CSO: 4200/1313

INDONESIA

PAPER WARNS OF PROBLEM OF COMMUNIST REMNANTS

BK251137 Jakarta BERITA BUANA in Indonesian 22 Jul 85 p 2

[Editorial: "The Communist Problem That We Have To Know"]

[Text] There is a list of communist parties around the world in the PROBLEMS OF COMMUNISM magazine published in Washington. Its March-April issue says that there are 250 exiled Indonesian Communist Party [PKI] members outside Indonesia under the leadership of Sudiatjaya Sudisman, who lives in Moscow. The magazine also notes the pro-Chinese faction of the PKI led by Yusuf Ajitorop in Beijing. Accordingly, the magazine, which specializes in studying communist political moves around the world, states that the PKI is divided into two factions--one pro-Moscow and one pro-Beijing.

As a matter of fact, the PKI has been split since it was a legal party in Indonesia and represented in Cabinets. The party even had cadres who were deliberately unregistered so as to enable them to show up when the situation is favorable. PROBLEMS OF COMMUNISM has never touched on the noncard-carrying party members dubbed as "illegal persons." Noncard-carrying party members have greater freedom of movement, like KGB agents who are officially working outside the Soviet Union and KGB members who are entirely unknown to KGB official agents stationed in foreign countries.

National vigilance will certainly not slacken considering that the pre-1965 PKI with over 3 million members was the second largest communist party in Asia after China and that the American magazine has estimated that there are 250 PKI members living in exile.

We must not forget "those who are not in exile" after being released by the government because it will take time for them to renounce their political beliefs after undergoing communist indoctrination for years. Last but not the least, we are approaching 17 August 1985 and September. September has a special significance in Indonesia because of the PKI rebellions in 1948 and 1965.

CSO: 4213/287

INDONESIA

SCANDINAVIAN COUNTRIES WISH TO BE IGGI MEMBERS

Jakarta ANTARA NEWS BULLETIN in English 4 Jul 85 p A4

[Text] Stockholm, July 4 (ANTARA).--Four Scandinavian countries have expressed willingness to step further ahead from their IGGI (Inter-Governmental Group on Indonesia) status as observers to full membership, a Swedish Foreign Affairs official revealed to ANTARA here Wednesday.

The wish was made known by the embassy of Finland in the Hague to IGGI chairman prior to IGGI's 28th session early last June.

In IGGI the four Scandinavian countries will be represented by Nordic Investment Bank (NIB), a Helsinki-base monetary body with Sweden, Denmark, Finland and Norway as members.

NIB will offer better termed-loans than those given by the World Bank and the Asian Development Bank, according to the official.

"We do not intend to give soft loans, but our terms will be slightly better", he was quoted as saying.

Without giving details of the terms, he described the loans as medium-soft loan.

Energy is the field they favor most, he continued.

The four Scandinavian countries have previously stated individual interest in taking part in the development of hydro-electric power plants in Indonesia.

According to plan officials at the Indonesia embassies at the four countries will hold talks with NIB to discuss the proposal in September or October.

CSO: 4200/1284

INDONESIA

WORLD BANK STATEMENT ON PROJECT MANAGEMENT DENIED

Jakarta ANTARA NEWS BULLETIN in English 7 Jul 85 p A8

[Text] Jakarta, July 7 (ANTARA)--Vice chairman of the National Development Planning Board (Bappenas) has denied a World Bank's statement which says Indonesia has badly managed the World Bank funded projects.

Saleh Affif who is concurrently minister for efficient utilization of the state apparatus said before a limited cabinet meeting on economic, financial and industrial affairs here Wednesday that the World Bank's accusation was not true but admitted there had been some delays in the completion of the projects.

World Bank Director in Indonesia D. C. Rao recently told the press that Indonesia as a developing country had completed its World Bank funded projects far beyond the schedule due to bad management and incompetent project officers.

Saleh Afiff said delays in completion of some projects should not necessarily be considered as bad management in handling all the projects.

He said Indonesia in carrying out the World Bank projects had indeed met some obstacles such as delays in reclamation of the land for the projects.

Saleh said the disbursement for the implementation of the World Bank projects in Indonesia is lower than in other Asian countries, and added that Indonesia is always trying to overcome the shortcomings in carrying out the World Bank funded projects.

CSO: 4200/1284

INDONESIA

SEOUL TO ASK FOR RELAXATION OF LNG EXPORT REGULATION

Jakarta ANTARA NEWS BULLETIN in English 9 Jul 85 p A1

[Text] Seoul, July 8 (ANTARA/Yonhap).--South Korea plans to ask Indonesia to soften its "take or pay" regulation on Korean imports of liquefied natural gas (LNG) from Indonesia at the seventh Korea-Indonesia Joint Committee for Mineral Resources Cooperation Meeting, scheduled for mid-September in Jakarta.

Under the regulation, Korea has to pay LNG bills even if it fails to receive the money of LNG previously specified by both sides, due to "unavoidable circumstances on the part of Korea", a ministry of energy and resources official said Monday.

In August 1983, Korea signed a 20-year contract with Indonesia for the import of two million tons of LNG annually, beginning in December 1986.

Also high on the joint committee agenda will be Korea's participation in Indonesia's energy development projects, the official said.

Kodeco Energy Co., the Korean partner in the Madura joint oil drilling project, plans to begin producing offshore oil near Indonesia's Madura island next September.

Details about the shipment of Madura oil to Korea will also be discussed at the meeting, the official said.

Representing Korea will be a 15-member delegation, headed by Minister of Energy and Resources Choi Dong-kyu. The Indonesian delegation will be led by Subroto, Minister of Indonesia's Mines and Energy Ministry.

CSO: 4200/1284

INDONESIA

FOREIGN REPORTERS VISIT EAST TIMOR

Jakarta ANTARA NEWS BULLETIN in English 3 Jul 85 pp A9, A10

[Text]

Dili, July 3 (ANTARA).- Four foreign reporters flanked by an Indonesian counterpart from Jakarta Monday arrived here for a five-day visit to East Timor province.

They are Andree Felard from Asia Week, Barbara Crossette from the New York Times, Jacques Guillon from the Agence France Presse, Lincoln Kaye from the Far Eastern Economic Review and Haryo Seputra from Suara Karya, an Indonesian daily news paper.

Accompanied by public relations chief of the East Timor municipal office T.B.M. Sinaga and chief of the East Timor information office Lopes Da Cruz, the five reporters paid a courtesy call on East Timor Governor Mario Veigas Carrascalao.

Governor Carrascalao expressed his welcome to the visit intended to obtain a direct news cover-up of various development activities and achievements made by the government and the public after East Timor has been integrated into Indonesia for nine years.

He said the present condition in East Timor was day by day growing better because of the consciousness of the East Timorese to take part in various sectors of development in order to abolish the poverty, backwardness and illiteracy it inherited from the Portuguese colonialism in 450 years.

"I can not give many comments. You may directly witness the facts existing in the public, in particular, in regencies, districts, and villages of this region," said the governor.

The meeting between the foreign reporters and Governor Carrascalao had been described as running intimately from which the reporters might obtain a great deal of information as input in making comparison between conditions in the present development era in East Timor and in the former colonial time.

CSO: 4200/1283

INDONESIA

**NURTANIO, FOKKER SIGN COOPERATION AGREEMENT**

Jakarta ANTARA NEWS BULLETIN in English 3 Jul 85 p A1

[Text] The Hague, July 2 (ANTARA).--Indonesian aeronautical graduates from the university of Delft are given the opportunity to work at the Dutch aircraft company, Fokker, to gain practical experience for a period of two and half years.

An agreement to the effect was signed Tuesday evening at the Indonesian embassy building here by Prof. Dr. B. J. Habibie, and President Director F. Swarttouw.

This year, Fokker will employ some five to ten Indonesian graduates to get practical experience in aircraft manufacturing. During this period they will be regarded as Fokker employees.

The program already in progress will continue in the coming years.

PT Nurtanio has sent its employees to the university of Delft to study aeronautical engineering.

Dr. Habibie told ANTARA that opportunities to gain practical experience at Fokker were only given to those already signing contract that they would return and work in Indonesia afterwards.

Fokker sees the agreement as a first step towards a long-term cooperation with the Indonesian aerospace industry.

Observers see that Fokker's preparedness to train the Indonesian graduates as an investment with long-term purpose.

The Dutch Company has a strong position in the Indonesian aviation. During the past 30 years, the company has sold a total of 120 F 27 and F 28 aircraft, mostly to Garuda, the Indonesian government and other domestic operators.

CSO: 4200/1283



INDONESIA

R&D COOPERATION WITH FRG DISCUSSED

Jakarta ANTARA NEWS BULLETIN in English 4 Jul 85 pp A2, A3

[Text] Jakarta, July 3 (ANTARA).--The West German Minister for Research and Technology, Dr. Heinz Riesenhuber, met his Indonesian colleague, Minister of State Prof. Dr. B. J. Habibie, for talks on the state and the further development of German-Indonesian cooperation in the field of research and technology, in Bonn on June 27.

Minister Habibie currently is in the Federal Republic of Germany for talks with high-level government officials and representatives of the German industry.

German-Indonesian cooperation in research and technology is showing positive results in many areas. It has, for instance, contributed to the build-up of a sizable aircraft and ship-building industry in Indonesia, the production of which is intended not only for the national market, but also for export to the entire South-east Asian region.

In the renewable energy field, the photovoltaic (solar energy) water pumps have been tested successfully on the Island of Sumba.

Joint wind-measurement programs have been carried out. Biomass projects, another energy source of interest to both countries, have been tested.

In addition, a nuclear research reactor is being built in Indonesia. It will be available for experimental work to Indonesian scientists, as well from the Neighbouring countries, and also for German scientists at the end of the 1980s.

Last year Research and Technology Minister Riesenhuber visited Indonesia, where he was able to see himself the results of the Indonesia's development.

Dr. Heinz Riesenhuber emphasized that Minister Habibie's talks in the Federal Republic of Germany represented an important contribution to the further intensification of scientific and technological cooperation between the Federal Republic of Germany and Indonesia, and would thereby contribute to the expansion of the fields of science, technology and industry in Indonesia.

CSO: 4200/1284

INDONESIA

**BENGKULU PROVINCE TO MAKE FIRST COAL EXPORT SHIPMENT**

Jakarta ANTARA NEWS BULLETIN in English 5 Jul 85 p A8

[Text] Bengkulu, July 5 (ANTARA).--Bengkulu Governor Soeprapto has said that he is sure that at the end of July or at the latest before the 40th anniversary of Indonesia's independence (August 17), the province of Bengkulu will be exporting its first coal production.

The first export shipment will be carried out at Pulau Baai seaport, which was inaugurated by President Soeharto December 20 last year.

The governor made this statement here Wednesday when he received the budget commission team of the Indonesian Parliament led by Wiratno Puspoatmodjo.

The governor explained further that Bengkulu is potentially rich in mineral products, such as gold, silver, coal, granite, iron sand, lime. But not much was known so far about the wealth hidden in Bengkulu's soil, because until recently no research had been carried out. To this end governor Soeprapto had invited Korean and West German consultant firms to carry out feasibility studies on coal reserves in Bengkulu.

According to the feasibility study reports less than 20 million tons of coal can be mined with very modest means without the necessity of making excavations deep into the earth crust, while the available coal reserves, which can be exploited on a long term is estimated at two billion tons.

A coal mining firm from West Germany is now collaborating with the Indonesian firm PT Bukit Sunur to prepare the Bukit Sunur area in Bengkulu Utara regency as their prospective mining site.

PT Bukit Sunur is at present making preparations for the first coal shipment of 10,000 tons to the Netherlands.

CSO: 4200/1284

INDONESIA

MARATHON DISCOVERS RECOVERABLE OIL

Jakarta ANTARA NEWS BULLETIN in English 27 Jun 85 p A1

[Text]

Jakarta, June 26 (ANTARA/AFP).-- Marathon Petroleum Indonesia, Ltd, has confirmed the existence of "significant" quantities of recoverable oil in a second area in the Natuna Sea Kakap block, Pertamina said today. The state oil company said the KF-5X delineation well drilled to a total depth of 1,524 meters (5,029 feet) had tested at a cumulative flow rate of 11,984 barrels per day (BPD) of 49.4 to 51.6 api gravity oil.

The KF area is located some 18.5 kilometers Southeast of the KF field, also in the Kakap block -- 1,388 kilometers (860.5 miles) north of here -- which is expected to start producing oil at a maximum rate of 22,500 BPD by mid 1986.

Pertamina did not say what plans there were for development of the KF field.

Marathon Petroleum Indonesia Ltd., is a wholly owned subsidiary the US company Marathon International Oil Company, and is operator of the Kakap block with 37.5 per cent interest.

Other interest holders are Hubday Oil (Kakap) Ltd., Aminoil Indonesia (Kakap) Inc., and Pertamina.

CSO: 4200/1283

INDONESIA

**MOBIL OIL TO CONTINUE OIL, GAS PROSPECTING**

Jakarta ANTARA NEWS BULLETIN in English 4 Jul 85 pp A1, A2

[Text]

Jakarta, July 4 (ANTARA).-- An American oil company, Mobil Oil Corporation, would be continuing oil and gas prospecting and production in Indonesia, Executive Vice President of Mobil Oil Corporation Alexander H. Massad said here Wednesday.

Speaking to newsmen after paying a courtesy call on President Soeharto at the Bina Graha Presidential office here, Massad further said that his corporation was interested in stepping up its investment program in the fields of oil and gas exploration and production, including the development of liquified natural gas (LNG) and liquefied petroleum gas (Elpiji), in the country.

The biggest oil exploration and production area of Mobil Oil Corporation in Indonesia is situated in Aceh, where natural gas exploited in the area is proposed into LNG in Arun, North Aceh.

During the courtesy call, Massad was flanked by John P. Keban, general manager of Mobil Oil Corp., and A.B. Salaki, Vice President of PT Mobil Oil Indonesia. On the occasion they briefed the head of state on activities of their company in Indonesia.

Massad arrived here on Sunday for a five-day visit to Indonesia. While here, he had discussions with Minister for Mines and Energy Prof. Subroto, Finance Minister Radius Prawiro, State Minister for National Development Plan/Chairman of the National Development Planning Board (Bappenas) Prof. Sumarlin, Home Affairs Minister Soepardjo Rustam, Junior Minister for the Use of Domestic Products Ginandjar Kartasasmita and the Commander of the Indonesian Armed Forces, General L.B. Moerdani.

CSO: 4200/1283

INDONESIA

JAPAN ABOLISHES IMPORT DUTY ON PALM OIL

Jakarta ANTARA NEWS BULLETIN in English 8 Jul 85 p A5

[Text] Jakarta, July 8 (ANTARA).--The import duty imposed by Japan on palm oil imported from ASEAN (Indonesia and Malaysia) had been reduced from three percent to zero percent.

This was disclosed by Trade Minister Rachmat Saleh after along with Finance Minister Radius Prawiro he was received by President Soeharto Monday.

The abolishment of the import duty on palm oil was one of the results of the recent meeting in Tokyo of ASEAN and Japanese economic ministers, Rachmat Saleh told reporters.

Rachmat Saleh said in the Tokyo meeting the ASEAN ministers had asked for better facilities for ASEAN industrial products in entering the Japanese market. The ASEAN side had also asked for the expansion of ASEAN-Japan trade channels.

He said the ASEAN side had also asked the Japanese Government to urge Japanese to invest more in the ASEAN countries in the framework of technology transfer. He said there should be technology transfer not only in investments but also in the field of engineering.

The ASEAN ministers did express appreciation for the recently approved Multi-national Trade Negotiations (MTN) but added in the meanwhile that the advanced countries should continue to carry out their responsibility as set down in the old MTN, the trade minister said.

Regarding import duty on plywood imported to Japan, the minister said that this was still too high, and ASEAN was pressuring the Japanese government to lower it.

Finance Minister Radius Prawiro, who saw the President together with Trade Minister Rachmat Saleh, declined to disclose the subject he reported to President Soeharto.

CSO: 4200/1284

INDONESIA

MALAYSIA NEEDS MORE INDONESIAN WORKERS

Jakarta ANTARA NEWS BULLETIN in English 28 Jun 85 p A2

[Text]

Jakarta, June 27 (ANTARA).-- Indonesian Manpower Minister Sudomo has said that Malaysia's demand for Indonesian workers is increasing and the government could gradually meet the demand.

"We could now send some three to four thousands of workers to Malaysia", Sudomo said to reporters here Thursday after receiving a visit by the new Malaysian Ambassador to Indonesia, H.M.Chotib bin Abdul Hamid.

The minister said, as the follow-up of an agreement signal by both governments in Medan last year, a pool for Indonesian workers to be sent to Malaysia would be created.

The pool would be situated in between Sumatra and Dumai where workers gathered before they crossed to Malaysian territories, he said.

He said that both governments had set an agreement on manpower affairs so that there was no reason for Indonesian workers to cross illegally into Malaysia.

CSO: 4200/1283

INDONESIA

430,315 NEW GOVERNMENT EMPLOYEES TO BE APPOINTED

Jakarta ANTARA NEWS BULLETIN in English 1 Jul 85 p A9

[Text]

Jakarta, July 1 (ANTARA).- The government in fiscal 1985-86 will appoint a total of 430,315 new civil servants, 60 percent of which will be placed in the field of education, Minister for Administrative reform Saleh Affif said Monday.

Speaking to reporters after meeting with President Soeharto at the Jal an Cendana presidential residence, Saleh Affif said that of the more than 430,000 new employees, 167,890 will be posted in central government agencies in Jakarta and the rest in government bodies in the provinces and the re-gencies.

He explained that 217,890 of the new employees will be totally new recruits to be accepted within the 1985-86 fiscal year, while the rest have already been appointed candidate government employees from past years who will be definitively installed as civil servants within this year.

In addition to postings in the field of education, a major portion of the new civil servants will be given jobs under the Ministry of Health, such as doctors and para-medics.

Minister Saleh ffif said, by education : 42,396 of the new employees have higher education with masters degrees, 67,890 with bachelor of arts degrees and the rest with senior and junior high school and elementary school diplomas.

CSO: 4200/1283

INDONESIA

SOUTH KALIMANTAN EXPANDING RICE CULTIVATION AREA

Jakarta ANTARA NEWS BULLETIN in English 27 Jun 85 p A5

[Text]

Banjarmasin, June 27 (ANTARA).- South Kalimantan is steadily extending its rice cultivation intensification area until it reaches 248,000 hectares by the end of Pelita IV (fourth five-year plan, 1984-1989).

Last year some 197,000 hectares of rice fields were subjected to intensification, with a production target increase of six per cent more, if compared with the previous total production of 1.1 million tons of rice.

The head of South Kalimantan provincial food crop agricultural service, Ir. (Engineer) Majedi Asri, pointed this out to ANTARA Wednesday in connection with the coming harvest in Kotabaru regency at the end of next month.

Through intensification extension South Kalimantan hopes to increase its surplus production from 390,000 tons at last season's harvest to 503,000 tons by the end of Pelita IV to conform to the population growth of 2.2 per cent per year.

During Pelita IV, Majedi Asri said, South Kalimantan will further create some 28,900 hectares of new rice fields, consisting of 7,500 hectares of irrigated 5,000 hectares of ebtide irrigated 12,000 hectares of rain-fed and 4,400 hectares of unirrigated rice fields.

CSO: 4200/1283



INDONESIA

MINISTER ON BURNED-OUT PLANTATIONS IN SUMATRA

Jakarta ANTARA NEWS BULLETIN in English 1 Jul 85 pp A9, A10

[Text]

Jakarta; July 1 (ANTARA).- The government will help rehabilitate the North Sumatra smallholders' plantations which were burned down by fire last week, Agriculture Minister Affandi said after reporting about the fire incident to the President here Monday.

Minister Affandi said about 5,107 hectares of oilpalm plantations belonging to the state-owned plantation company and another 500 hectares owned by the local smallholders had been ravaged by the fire.

In addition to that 15,246 hectares of old rubber plantations belonging to the local smallholders and another 250 hectares owned by the state-owned plantation company had also been burned down, he added.

About 2,250 hectares of oilpalm plantations are feared to become totally destroyed within 10 days unless the rain comes, and another 2,750 hectares within two to three weeks.

This is a real catastrophe for us "the minister said, adding that the loss might total to more than Rp 10 billion.

"I do not dare to say that there had been an intentional element behind the fires", said Minister Affandi when asked of that possibility

He pointed out that the local condition had indeed been vulnerable against fire although there had been no intentional arson. The rain fall in June was recorded at only 15 mm or one-day raining in a month, compared with that in May that ran at 300 mm or 11-day raining in a month. The moistness in the plantation areas reached only 40 to 49 per cent of the normal 90 degrees or within 36 to 40 celcius degrees, which was coupled with strong winds.

"Consequently, the blaze can grow bigger quickly from the over-dry cover crops at the plantations", added the minister.

Minister Affandi further said three units of fire-fighting small aircrafts had been launched to extinguish the fires. Nevertheless, he continued, it proved fruitless. One of aircrafts had been crashed killing the pilot.

The minister said Indonesia was planning to buy seven units of fire-fighting Transall aircrafts with dual functions, spraying fire-extinguishing chemicals to combat possible forest and plantation fires, next to serving as passenger carrier.

the

INDONESIA

PLANTATION FIRE IN NORTH SUMATRA REPORTED

Jakarta ANTARA NEWS BULLETIN in English 3 Jul 85 pp A4, A5

[Text]

Pekanbaru, July 2 (ANTARA).-- A huge fire raging in an oilpalm plantation which belongs to the state-owned plantation company (PTP IV) in Torgamba (Riau-North Sumatra border), about 275 km west of the Pekanbaru waters, until Monday evening has devastated about 6,000 hectares of plantation area.

The conflagration broke out since Friday evening (June 28, 1985), and it kept on raging out of control. On Sunday evening, about 4,500 hectares of plantation was destroyed and on Monday it reached 6,000 hectares.

However, the fire was getting smaller Monday evening, a spokesman of the government office in Pekanbaru said.

The fire burnt down oilpalm plantations surrounding the palm oil factory inaugurated by President Soeharto two years ago, according to him.

The burnt trees were planted during 1980-1982 period, and so far the oil-palm trees have started production about 30 tons per hectare annually.

The value of the destroyed trees is not less than Rp.40 million per hectare, so that up to Monday evening the material loss has reached about Rp.250 billion.

The cause of the disaster was not known, but it is likely due to a drought in the region so that it becomes very sensitive to fire, even a small spark of fire can devastate the oil-palm plantation considering that oil-palm is also flammable.

The total area of plantation belonging to the PTP IV in Torgamba is about 42,000 hectares. But, in the region there are also oilpalm plantations belonging to other companies, so that all oilpalm estates in Torgamba reach 70,000 hectares, the largest oilpalm plantation area in the world, the spokesman said.

CSO: 4200/1283

INDONESIA

JIA NAMED SOEKARNO-HATTA INTERNATIONAL AIRPORT, INAUGURATED

Jakarta ANTARA NEWS BULLETIN in English 5 Jul 85 p A6

[Text] Jakarta, July 5 (ANTARA).--It is the sincere hope that the name given to this new airport would urge us all to realize the ideals the two national leaders had fought for, viz. the realization of an advanced, prosperous and socially just society based on Pancasila.

This was stated by President Soeharto in his address when he inaugurated and named the new Jakarta airport "Soekarno-Hatta" International Airport here Friday.

I am convinced that such a society could be realized, because we will keep working hard in this current as well as future development eras, he added.

The inauguration of "Soekarno-Hatta" Jakarta International Airport was also attended by Madame Tien Soeharto, the Vice President and Madame Umar Wirahadikusumah, the chairmen of State Institutions, a number of ministers of the Development Cabinet, and chiefs of foreign missions in Indonesia as well as members of the families of the Proclamators Soekarno and Hatta, among them Madame Hartini Soekarno and children of Bung Karno, Madame Rahmi Hatta and children and son-in-law Dr. Edi Swasono and Bung Hata's (former) secretary Wangsa Wijaya.

Earlier in his address the Head of State said this airport is not only new, but also the biggest and most up-to-date owned by Indonesia. Its architecture is specifically Indonesian in character, while its construction used the rooster-claw construction system, an invention of the late Prof. Dr. Ir. (Eng) Sedyatmo, a son of Indonesia. This construction system is suitable for soft and swampy soil, he added.

The President further said our country is a vast country, situated at the crossroads of two continents and two oceans. If we could not manage to become air-minded, our territory would only be bypassed by the intercontinental flights of the giant planes without taking the trouble for a stopover, he added.

The Head of State stressed on the importance of good management of the airport because of its importance in the domestic air network and as one of the important links in the international air network.

CSO: 4200/1284

LAOS

PASASON HAILS ANNIVERSARY OF WOMEN'S UNION

BK201058 Vientiane KPL in English 0927 GMT 20 Jul 85

[Text] Vientiane, 20 July (KPL)--The daily PASASON, organ of the party Central Committee, today editorially hailed the 30th founding anniversary of the Lao Women's Union [LWU] (20 July).

In the past 30 years, the editorial says, the LWU, under the guidance of the LPRP led by General Secretary Kaysone Phomvihane, has spiritually and structurally developed in compliance with its glorious task. The "Lao Patriotic Women's Association" [LPWA] has become a new potency stimulating a process of struggle against the French colonialists and U.S. aggressive imperialists. The LPWA--the predecessor of the LWU--has proven its potency by actively participating in the national revolution under a slogan "All for the fronts and for the victories against U.S. imperialists." The slogan has since then imbued in a deep conscience of the women in implementing of their obligations as regard to to the national liberation struggle.

After the success of national democratic revolution, the LWU--loyal to its heroic and courageous tradition--has further promoted and enhanced its activity of mobilizing and encouraging the entire Lao women to contribute to a new phase of political task of the party and to the national socialist construction. The "three-qualities and two-duties" campaign launched by the LWU was a concrete evidence of the Lao women's active participation in the national socialist development. Within frameworks of the past struggle for national liberation and the present national socialist transformation, the paper points out, a number of women with strong devotion had obtained great achievements in their work gaining the honor of national heroine and outstanding personalities. This has further raised the female role and position in the society.

The increasing development of the LPWA and its achievements have significantly created favourable conditions for the opening of its first congress from 21-23 March 1984, in which the LWU was unanimously adopted as its new name. To enhance its 30 years long tradition of revolutionary tolerant spirit and devotion, the entire Lao women of all social strata are actually undertaking the national defence and construction tasks and hence contributing to the defence of socialist vanguard post in Southeast Asia and world peace, the paper concludes.

CSO: 4200/1272

LAOS

BRIEFS

DPRK FILM SHOW--Vientiane, 20 July (KPL)--The Ministry of Culture, in collaboration with the Lao Committee for Peaceful Reunification of Korea and the embassy of the Democratic People's Republic of Korea to Laos, organized here yesterday a film screening to mark the "month of the common struggle against the U.S. imperialist and the celebration of the 32nd anniversary of the great victory of the people liberation war." Among the spectators were Thongsing Thammavong, minister of culture, and other officials. Diplomatic envoys here were also on hand. [Text] [Vientiane KPL in English 0903 GMT 21 Jul 85 BK]

TRADE DELEGATION TO INDIA--Vientiane 20 July (KPL)--A trade delegation of the Lao PDR led by Sompadit Volasan, deputy minister of trade, left here today for the Republic of India. The delegation is to attend the conference of non-aligned-trade ministers, which is to be held from 22 to 26 July in New Delhi. [Text] [Vientiane KPL in English 0905 GMT 21 Jul 85 BK]

SRV GEOLOGY DELEGATION--Vientiane, 23 July, (KPL)--Sali Vongkhamsao, secretary of the party CC, vice-chairman of the Council of Ministers and chairman of the State Planning Committee, received here yesterday Tran Duc Luong, alternate member of the CPV CC, head of the General Department of Geology on a current visit here. Both sides discussed issues on bilateral cooperation of economic development specifically in geological cooperation, between the two countries. Sali Vongkhamsao highly appreciated the contributions of the Vietnamese side to the Lao economic development. He regarded the visit of Tran Duc Luong as a contribution to the furtherance of cooperation between the Lao PDR and the SRV. [Text] [Vientiane KPL in English 0913 GMT 23 Jul 85 BK]

LOCAL PARTY MEETING--Vientiane, 23 July (KPL)--The party committee of Sikhottabong District, Vientiane, closed its first conference, on 20 July, after 3 days of sitting with more than 60 delegates attending. Among those present at the closing ceremony were Sisavat Keobouphan, secretary of the LPRP CC and of party committee of Vientiane, Khambou Sounisai, member of the LPRP CC, and mayor of Vientiane, and other senior party and state officials from six districts of Vientiane. During the conference, the delegates exchanged lessons and experiences on committee's work regarding the socialist transformation and construction in the district during the past year. The conference also elected a new Executive Committee of 14 members, and nominated its representatives to attend the forthcoming session of the Vientiane party committee. In his speech, Sisavat Keobounphan expressed his satisfaction over the success of

the conference. He brought out the important role played by the party members in the socialist defence and construction. He urged them to unite more closely together and concentrate their common efforts to carry out the party and state's policies on socialist transformation and construction in Laos. [Text]  
[Vientiane KPL in English 0915 GMT 23 Jul 85 BK]

MINUTE SIGNED WITH HUNGARY--Vientiane, 23 July (OANA-KPL)--A minute on cooperation between the State Planning Committees of the Lao PDR and the Hungarian People's Republic signed recently in Budapest following the talks from 15 to 19 July between the two sides. Signatories were made by on the Lao side, Dr Somphava Inthavong, vice-chairman of the State Planning Committee, and the Hungarian side, Dr Gyorgy Doro, vice-chairman of the State Planning Committee. The minute stipulates that the Hungarian side will help Laos in the construction of poultry farm, a 70 bed-hospital in Vientiane, a portion of highway N 13 and a number of small factories. It will also cooperate with the Lao side on the field of geology, agriculture, science, technique and on trade exchange. Dr Somphavan Inthavong and his delegation arrived here on 22 July after ending its friendly visit to the Hungarian People's Republic. [Text] [Vientiane KPL in English 0906 GMT 24 Jul 85 BK]

INDOCHINESE AVIATION CONFERENCE OPENED--Vientiane, 24 July (OANA-KPL)--A conference on civilian aviation among the three Indochinese countries was held here yesterday. Among those present at this conference were Tran Man, head of the General Department of Civilian Aviation of Vietnam, Pham Nguon, head of the Civilian Aviation Department of Kampuchea, and Phoun Khammounhuang, head of the Civil Aviation Department of Laos. Perfilov [name as received], regional manager of Aeroflot for Indochina was also on hand. During the conference the participants reviewed their cooperation in the past and worked out a new action plan for further development of their cooperation in the future. [Text] [Vientiane KPL in English 0909 GMT 24 Jul 85 BK]

MEDALS TO LAO-VIENTAMESE TEAM--Vientiane, 22 July (OANA-KPL)--The State Council of the Socialist Republic of Vietnam on 19 July conferred here medals and a rotatory victorious banner to the joint Lao-Vietnamese work-team for its successful exploration work of the rock salt at Tha Ngon (about 20 km north of Vientiane). Representing the State Council of the SRV at the decoration ceremony were Tran Duc Luong, alternate member of the CPV CC, head of the General Department of Geology of Vietnam on a current visit here, and Dam Xuan Dung and Col Gen Nguyen Dinh Tran, respectively economic and cultural [councillor] and military attache to the Vietnamese Embassy. Nousai Sitthisai, deputy-minister of industry, handicraft and forestry of the Lao PDR was also on hand. The decorated medals included one Victorious Labour Medal of Second Class, one Victorious Heroic Medal of Third Class, and one Victorious Rotatory Banner of Ho Chi Minh Communist Youth League Central Committee to the organ of the LPRYU [Lao People's Revolutionary Youth Union] attached to the work-team. [Text] [Vientiane KPL in English 0910 GMT 22 Jul 85 BK]

SOVIET FRIENDSHIP HALL INAUGURATED--Vientiane, 23 July (OANA-KPL)--A Lao-USSR friendship hall was officially opened here on 19 July at the office for feasibility study and design or irrigation work attached to the Ministry of Agriculture, Irrigation and Cooperatives. The hall is reserved for the

exposition of the overall achievements of the Lao-Soviet cooperation, in particular in irrigational work-sector. Films were also screened once a month at the hall. Until now, there are seven halls of the series in seven provinces. [Text] [Vientiane KPL in English 0922 GMT 23 Jul 85 SK]

AMBASSADOR TO NICARAGUA--Vientiane, 28 [July] (OANA-KPL)--Soukthavon Keola has presented his credentials, in Managua, to Daniel Ortega, president of the Republic of Nicaragua, the Lao Foreign Ministry's source stated. Following the presentation, Soukthavon Keola had a cordial discussion with the Nicaraguan president concerning bilateral relations. Soukthavon Keola is accredited as ambassador of the Lao PDR to Nicaragua with residence in Havana, Cuba. [Text] [Vientiane KPL in English 0921 GMT 28 Jul 85 BK]

INDOCHINESE CIVIL AVIATION MEMORANDUM--Vientiane, 27 July (OANA-KPL)--A memorandum on civil aviation among the three Indochinese countries was signed here yesterday following talks of the Civil Aviation Departments heads of the three countries. Signatories were Phoun Khammounheung, head of the Civil Aviation Department of the Lao PDR, Tran Man, head of the General Department of the Civil Aviation of the SRV, and Phan Ngouan, head of the Civil Aviation Department of the PR of Kampuchea. In attendance were Major-General Osakan Thamma-theva, member of the LPRP CC, deputy-minister of defence; Bouasi Lovansai, deputy-minister of transport and post; and Soulima, vice-chairman of the State Planning Committee. Perfipov regional manager of Aeroflot for Indochina, was also on hand. [Text] [Vientiane KPL in English 0910 GMT 27 Jul 85 BK]

CSO: 4200/1272

NEW CALEDONIA

INDEPENDENCE LEADER MEETS NEW ZEALAND PRIME MINISTER

HK301114 Hong Kong AFP in English 1058 GMT 30 Jul 85

[Text] Wellington, July 30 (AFP)--Kanak independence leader Jean-Marie Tjibaou said here today that South Pacific forum states should either make a clear statement on the decolonisation of New Caledonia or not discuss it at all.

The Kanak Socialist National Liberation Front (FLNKS) leader told reporters he saw "no point in putting New Caledonia on the agenda" for the forum meeting in Rarotonga next week if the forum could make "no clear decision to put New Caledonia on the United Nations list to be decolonised."

Speaking through an interpreter, Mr Tjibaou said it was the "wish of the FLNKS to have clear and frank support" from the forum for re-inscription on the list of the United Nations decolonisation committee of 24.

The French Pacific territory has already been on the list once, in 1946-47, but sources in Paris said that a new inclusion now would not help in resolving the Caledonian problem.

Mr Tjibaou said he was "conscious of the fact that the requests we make of the forum countries complicate life for these countries."

But he believed "the situation is better for the forum to give a less ambiguous answer (to the independence groups) than it has given in the past."

Speaking after meeting with Prime Minister David Lange, Mr Tjibaou said Mr Lange had indicated the August 4-6 forum would make a decision on the "best way of supporting moves to independence" in New Caledonia.

The 13-country forum, which is to meet in the Cook Islands capital, comprises South Pacific 10 island nations plus Australia, New Zealand and Papua New Guinea.



But he indicated Mr Lange failed to give unqualified New Zealand support for the United Nations re-inscription approach in his talks with Mr Tjibaou.

The FLNKS leader said New Zealand indicated it would first talk with other forum states and seek consensus on what action should be taken and what support should be given.

Mr Tjibaou said the forum states of Vanuatu, the Solomon Islands and Papua New Guinea supported re-inscription for New Caledonia.

He said that, if the United Nations committee re-inscribed New Caledonia, it would put the FLNKS in a stronger position regardless of what stance the people of France adopted on decolonisation.

A French government plan for New Caledonia, released in April, provides for a referendum on independence for the territory by the end of 1987.

French Secretary of State for External Relations, Jean-Michel Baylet, has been on a tour of the South Pacific region to explain Paris' policy over New Caledonia ahead of the forum meeting, following strong criticism of the plan from some forum members.

Mr Tjibaou, on a week-long visit to New Zealand has also held talks with foreign ministry officials and with Maori and Polynesian groups.

He travels to Australia for talks later in the week.

CSO: 4200/1294

NEW CALEDONIA

NO FRENCH PROTEST OVER AIRSPACE VIOLATION

HK300950 Hong Kong AFP in English 0904 GMT 30 Jul 85

[Text] Noumea, New Caledonia, July 30 (AFP)--French Government officials today confirmed that a New Zealand Air Force reconnaissance plane violated New Caledonian airspace last week during a hunt for a missing yacht.

But they denied a report from New Zealand yesterday that the authorities in the French Pacific territory had protested to New Zealand over the incident.

They said such a protest could only come from the Ministry of External Relations in Paris, which would in such cases summon the ambassador of the country which committed the offence.

They said the New Zealand authorities had given prior warning that a plane would be flying at the limit of New Caledonian airspace looking for the yacht Ouvea, whose crew is wanted in connection with the bombing of the Greenpeace vessel Rainbow Warrior in Auckland on July 10.

They emphasized that New Zealand had not asked permission to overfly, but said the Orion reconnaissance plane had edged over into New Caledonia airspace.

Foreign Affairs Ministry officials in Wellington yesterday said France had formally notified the New Zealand Government of the intrusion.

The crewmembers of the Ouvea are sought by the New Zealand authorities in relation to charges of murder, arson and conspiracy to commit arson over the Rainbow Warrior attack, in which a crewman died.

CSO: 4200/1294

NEW ZEALAND

EDITORIAL LAUDS FORTHCOMING PAPAL VISIT

Wellington THE EVENING POST in English 13 Jun 85 p 4

[Editorial: "Papal Visit to This Country"]

[Text] No pope in history has commanded such a wide audience as Pope John Paul II who visits this country in November next year. He comes on a pastoral visit which will be warmly welcomed by many more than the 450,000 members of his own flock.

The dominating theme of John Paul's rule has been his populist role. This pilgrim Pope has journeyed to 26 countries where his charismatic personality and his extraordinary gift for language has given him an impact unequalled by any other leader. His kissing the ground on arrival at airports has become one of the symbols of our television age and his style is recognised throughout the world.

There is little risk here that he will be subjected to the almost medieval outbursts of fury that greeted his recent visit to Holland where Dutch Catholics are angered by his policy of replacing their retiring liberal bishops with conservatives favoured by the Vatican. Nevertheless, in this country too, there are discrepancies between what the Church officially teaches and how the faithful behave, particularly over birth control, and the Pope has not yet shown himself particularly sympathetic on this issue.

But while the importance of John Paul's stand against divorce, remarriage, contraception and homosexuality must be recognised, it is only one facet of a remarkable papacy.

As the tide of faith has reached around the world the man whose mandate stretches back 2,000 years to the apostle St Peter, continues to proclaim the primacy of the ethical over the material.

Other branches of the Christian Church have become less spiritually demanding institutions, while he ceaselessly exhorts his listeners to examine the basis of their moral lives.

And yet he remains fundamentally a Christian humanist, championing the right to belong to trade unions and condemning the excesses of the consumer society as briskly as he condemns Marxism for subordinating people to political theories.

This breadth of vision on worldly matters is in contrast to his conservatism on the church role of women, many of whom believe that instinctively the Pope would prefer them confined to the domestic role.

He has upheld the tradition of priestly celibacy and resisted all proposals for the ordination of women. At the same time his commitment to the ecumenical movement has been consistent and moving with his visit to Canterbury Cathedral a milestone on the road to church unity.

The visit of this complex and holy man is a special celebration of the 150th anniversary of the consecration of the first New Zealand Catholic bishop, Jean Baptiste Pompallier and the contribution his Church has made to this country.

CSO: 4200/1287

NEW ZEALAND

SYDNEY DAILY ANALYZES LANGE POLITICAL SLIDE

Sydney THE SYDNEY MORNING HERALD in English 17 Jun 85 p 8

[Text] When he became prime minister, David Lange was New Zealand's most popular politician ... ever. One year later, Spiro Zavos finds a curious reversion taking place with Lange scoring badly in the opinion polls, while his arch rival, Sir Robert Muldoon, gathers impressive ratings. The loss of a safe South Island seat in a by-election at the weekend casts further doubt on Lange's political survival.

After covering the New Zealand elections last year for the HERALD, I was at the Wellington airport terminal waiting to board the plane back to Sydney when someone tapped me on the back and said, "Haven't we gotten rid of you yet?" I turned round to face a grinning David Lange. The last time we had met was for a short interview at the end of the campaign.

He was prime minister-elect, a position he had held for a week. In that time he had skilfully defied Sir Robert Muldoon's attempt to prevent the new Labour Government from devaluing the New Zealand dollar and had reaffirmed his party's policy of no port access to U.S. warships carrying nuclear weapons.

I asked him how he enjoyed being prime minister. "Loving it," he said. "It's a great job." And then he hustled away, without minders or bodyguards, carrying his light suitcase, to catch his plane.

Shortly after becoming prime minister, Lange, whose openness and wit made an appealing contrast from the snarling Sir Robert Muldoon, achieved the highest opinion poll ratings of any NZ politician.

A year after the election a curious political reversion is taking place. The formerly despised Sir Robert has begun to gather impressive poll ratings. His "meet the people" meetings where he justifies his prime ministership with the zeal of a hot gosseller are packed. With the example set by President Reagan, Sir Robert, at 64, sees his best political years as those coming up.

At the same time, a spectacular by-election reverse for Labour in the South Island provincial seat of Timaru at the weekend--a seat Labour has never lost--raises the question whether Lange will be a one-term prime minister, possibly over the hill in his early 40's.

The view from Mr Lange's office, however, is that the prime minister is currently embattled but that the chances of winning the election in 1987 remain very strong.

The nuclear warships controversy has dampened down and, according to the officials, the Americans are active behind the scenes trying to put together a package that suits the interests of both countries.

The fact that the protest movement to stop the All Black tour to South Africa has not erupted into major violence is seen as another gain for Lange. The NZ prime minister faced a difficult task on this issue: the polls show that New Zealanders are more opposed to the violence the tour engenders than to the tour itself, yet Labour policy is to give as much encouragement as possible to the protest movement.

It is conceded that the tough, deregulatory, "market force" economics being imposed on New Zealand by the finance minister, Roger Douglas, has hit the hip pocket nerve of New Zealanders hard. An immediate gain, however, of "Rogernomics" has been to slash to the enormous Muldoon fiscal deficit in half in one year.

Mr Douglas' program, which has the total support of Mr Lange, has been praised by THE ECONOMIST as "an exhilarating dash for economic freedom."

The unions are wary but not uncooperative and only one cabinet minister has openly attacked Labour's "abattoir session for its sacred cows." That minister is Mr Bob Tizard, a carryover from the Kirk Ministry of the early 1970's. There is a generational factor at work here: Mr Lange, for instance, did not come into Parliament until Kirk had died.

Out in the New Zealand community, the perception of how well Mr Lange is performing is less rosy. There is widespread bitterness from pensioners, traditional Labour supporters, over the abrupt imposition of a surtax on superannuation benefits.

The economy has been freed but at the expense of a growing inflation rate. The interest rate on home mortgages, as a consequence, has risen from 11 percent to 20 percent in a year. The effect of a foreshadowed goods and services tax on rising prices has become a worry for consumers and business people.

The greatest disenchantment, however, seems to be with Mr Lange's style. The criticism most frequently made is that everything is too much of a performance, that he cannot resist grandstanding and showing off his repartee. A journalist covering Mr Lange's tour through Africa, for instance, described him as a "bit of a buffoon."

The Leader of the Opposition, Mr Jim McLay, has quoted a reply from Mr Lange to a voter who told him he now felt "foolish" having voted for Labour in 1984.

"I confirm your own word, 'you appear a fool'," the New Zealand Prime Minister wrote back to him.

On another reply to a critical letter, Mr Lange noted "a classic symptom of your medical condition is the mixing of colours and capitals in bizarre ramblings."

The feeling in the community, reflected in Mr Lange's plummeting opinion poll ratings, is that there seems to be less to what he says than first appears. Another criticism is that although the doctrine of consensus is espoused, it is not practiced.

The superannuation surtax was dumped on the public, as have been virtually all the economic changes. Little attempt is made to convince the community through the type of extended public argument that Mr Keating is currently engaged in.

The New Zealand electorate is stolid, tough and unenterprising and occasionally inclined to be savage--a bit like the All Blacks.

The rapidity of the changes being introduced including the overhaul of the economy, the reappraisal of defence options and the trendy assaults on the traditional NZ way of life are alienating people, as the Timaru by-election indicates, who should be Labour's natural supporters.

CSO: 4200/1287

NEW ZEALAND

## EXPORTS TO JAPAN GROW BY 5 PERCENT

Wellington THE EVENING POST in English 15 Jun 85 p 17

[Article by David Porter]

[Text] Hong Kong, 14 Jun--Real growth of about 5 percent in exports to Japan has been achieved in the first quarter of 1985 and should be maintained this year, says the senior New Zealand trade official in Tokyo, Mr Russel Vogtherr.

Although exports were up about 20 percent in New Zealand dollar terms in 1984 there had been a decline in yen terms and this probably meant last year growth was stagnant or possibly negative, he said in an interview in Tokyo.

Exports to Japan in the year to June 1984 were \$NZ1.3 billion while imports from Japan were \$NZ1.7 billion, making it New Zealand's biggest trading partner.

"Looking at our first quarter results we've got an increase of 8 percent in yen terms which we interpret as representing real growth of a little over 5 percent.

"Wool's going very steadily," Mr Vogtherr said.

Key items showing growth compared to the same quarter in 1984 were wool, meat, dairy products and pulp.

Mr Vogtherr said increasing emphasis was being placed on analysing the unit value of exports to pinpoint where real growth was taking place.

For example, in meat, the volume of frozen beef was down slightly as was the unit value. In chilled beef, volume was up but the unit value was down, while in sheepmeat both volume and unit value were up. Japanese statistics do not differentiate between lamb and mutton.

The trade office was also closely following Tokyo's response to strong pressure from the United States for Japan to provide greater access to its markets.

Japan's prime minister, Mr Yasuhiro Nakasone, earlier this year set up a committee to study ways in which Japan's import regime could be relaxed, said Mr Vogtherr.



Business representatives from Oceania, including New Zealand, were invited to make submissions to a subcommittee which was later established.

The third stage in what Mr Vogtherr said was a slow working through of the system, was the raising of specific access issues, during the six-monthly session of official talks which took place last week in Tokyo.

"We picked on a range which got away from the traditional beef and dairy items," said Mr Vogtherr. (Beef is restricted by quota and dairy products by tariffs ranging up to 35 percent.)

Items raised with officials, included the tariffs on methanol, medium density fibreboard and particle board, sawn timber, fresh asparagus, honey, frozen vegetables, sphagnum moss and kiwifruit and quotas on fruit juices.

"We're attempting to make sure these things are kept in their minds while the Americans and others are pressing them on issues such as access to the telecommunications industry here," said Mr Vogtherr.

"They're all things which we feel won't directly affect their domestic industries," he said.

Items such as kiwifruit, which land in the local off-season, still carried an 8-percent tariff, while methanol, which both New Zealand and Canada export to Japan, incurred a 5.2 percent tariff while the Saudi Arabian product could be landed tariff-free.

But some progress was achieved when Japanese officials said they saw no objection to allowing juices made from New Zealand exotic fruits, such as pepinos and babacos, to be classified as tropical and imported without quota restriction.

"Although it's not being made at the moment, we now know there's one more thing which could be produced in New Zealand and exported here with no access problems," said Mr Vogtherr.

Mr Vogtherr said he and other trade officials were now studying the response by Tokyo officials on specific items and would target appropriate ministries to try and eliminate the discriminatory tariffs.

CSO: 4200/1287

NEW ZEALAND

ARTICLE, GRAPH ANALYZE POLITICS OF TAX REFORM

Auckland THE NEW ZEALAND HERALD in English 13 Jun 85 p 22

[Report by Simon Collins: "Curb Changes in Taxes"]

[Text] Tax reform in New Zealand this year is taking place under three major constraints compared with the sweeping changes in America and Australia.

The first is political. A large part of the community is already alarmed at the speed of economic change.

Devaluation, abolition of farm and export subsidies, huge jumps in power and petrol prices, abolition of exchange controls, floating the dollar, the new fringe benefit tax and the proposed goods and services tax--all this and more needs time to be absorbed.

The deputy prime minister, Mr Palmer, has said: "This is the time to pause--to regroup after the first wave of policy developments."

What this means for tax reform is that major changes in business tax--the source of much of the revenue for income tax cuts in both Australia and America--are likely to wait until after the next election.

The second constraint is the administrative impossibility of working through any comprehensive business tax reform to cope with inflation and other problems at the same time as other tax reforms.

The Minister of Finance, Mr Douglas, promised in his last budget that a major review of business tax would be carried out this year "with the intention of reaching conclusions."

Major Change Has to Wait

But in practice, the key people in the treasury and Inland Revenue Departments who normally deal with business tax have been strained to the limit of their 60-hour weeks coping with GST and the associated changes.

Even if there were not political reasons for doing so, business tax would have had to be put on the back burner until those changes are sorted out in the second budget of the year in September or October.

And thirdly, the scope for financing income tax cuts out of a crackdown in "perks and lurks" is limited by the fact that various governments have already cracked down on most of them.

For example:

The fringe benefit tax, which took effect on 1 April, is already taxing perks such as cars and business lunches. But the revenue is earmarked to reduce the budget deficit rather than to cut income tax.

Sir Robert Muldoon's Income Tax Amendment (No 2) Act of 1982 put a \$10,000 limit on the amount of losses from kiwifruit farms and the like which "Queen St farmers" can deduct from their other income for tax purposes.

The same law imposed an effective capital gains tax at normal income tax rates on the lesser of the total capital gain on a property, or the interest payments claimed as tax deductions for it, if the property is sold within 10 years.

The revenue gained from this measure was used, in effect, to pay a small part of the cost of the 1982 income tax cuts.

#### Loophole Overseas

The Inland Revenue Department already refuses to allow income losses from property to be offset against other income to reduce tax.

This is a popular lurk in Australia, where rich people raise mortgages which cost them more in interest than they get from renting out a property, using the net loss to offset their other income so that they pay no tax, and then selling the property for a tax-free capital gain.

New Zealand has never followed America and Australia in giving accelerated depreciation allowances, which are now proposed for repeal in both countries. It does, however, give a generous 25 percent first year depreciation allowance on plant and machinery.

Tax incentives for the film industry, which are to be abolished in Australia, were removed in New Zealand last October.

Unit trusts are already taxed as if they were companies, as proposed in Australia.

New Zealand already taxes residents on income earned overseas, with a deduction only for the amount of tax already paid, as the Australian plan proposes.

## Rebates and Deductions

--Tax deductions on many items which were virtually unlimited in the United States before this reform have long been regarded as derisory in New Zealand.

Examples are the maximum of \$310 a year for child care (the housekeeper allowance), \$200 for school fees and donations and a total of \$1,200 for premiums on life insurance, medical insurance and superannuation.

--The rates rebate, equivalent to the American deduction for state and local taxes which is being abolished, was dropped here from 1 April this year.

--The rebate of up to \$1,000 on first home mortgage interest payments, and the \$1,200 exemption for life insurance and superannuation premiums, were abolished for all new houses bought or policies taken out after budget night last November.

--Unemployment benefits, proposed to be taxed in the United States, have been taxed in New Zealand, for people without dependent children, since 1979.

However, in spite of all that has been done already, the reforms proposed by New Zealand's erstwhile Anzus partners to point to changes which could still be made in this country.

## Delays on Major Moves

Mr Paul Bevin, a Wellington tax accountant who is completing a report on business tax reform for the Institute of Policy Studies, believes there is scope for getting more revenue from companies to help to pay for the income tax cuts.

"I do not see much being done this year," he said.

"I think there could be some things done next year, but I think that once they look at their electoral prospects, major moves could well be shelved until after the next election.

"The qualification to that is that they may find they have to move in certain areas because of what they have done on personal tax.

"One of the objectives of the reconstruction of the personal tax scale will be to lower the top marginal rate. If they do that, they may well want to push the company tax rate up to align it [with the top personal rate] or get them close together."

If the government, as is widely expected, cuts the top personal tax rate from 66 to around 50 percent, then the company tax rate could rise from the present 45 percent by around 5 percent.

This would be in line with Australian proposals, except that there the suggested increase in the company tax rate from 46 to either 48 or 52 percent would be a trade-off for allowing shareholders to claim a personal tax deduction for part or all of the company tax already paid on their dividends.

Mr Douglas has made it plain that he wants to deal with the problem of double taxation of dividends.

He says that out of \$1 of company income, the company pays 45¢ tax. If it pays out the remaining 55¢ as a dividend, each shareholder can pay up to 66 percent, or 36¢, of that--a total tax of 81¢ in the dollar.

But Mr Bevin said the government would face political difficulties in allowing a tax deduction on dividends, because it would hand a huge windfall gain to existing shareholders. (Share prices would rise until people buying shares in future would get the same return as before.)

"It would be seen as giving money to the rich," he said.

Only an increase in the basic company tax rate, and a further crackdown on tax avoidance, could make the change politically acceptable.

#### Personal Tax Rates Cut

On the other hand, Mr Douglas may be able to follow his own advice in his book, "There's Got To Be a Better Way," and cut the top personal tax rate to 45 percent.

That would be more in line with President Reagan's proposal in the United States, where the top personal rate is being cut from 50 to 35 percent and the main company rate from 46 to 33 percent.

Companies and rich people could also be forced to pay for income tax cuts by a capital gains tax, which is part of both the Australian and American packages.

Such a tax in New Zealand was flatly ruled out by Mr Douglas last year. In April this year, he said it was an area that had to be addressed ultimately, but not in 1985.

However, the government is also committed to closing a tax loophole opened by a Court of Appeal ruling last year that the \$10,000 limit on tax deductions for Queen St farmers is invalid.

The chairman of the Auckland branch of the Society of Accountants, Mr Jim Hoare, urges Mr Douglas to seize the opportunity to repeal the 1982 act imposing the \$10,000 limit and to replace it with "a proper capital gains tax."

#### No Deduction for Losses

"The 10-year clawback under that act is a simple capital gains tax," Mr Hoare said.

"It is more onerous than anywhere else in the world because it gives no deduction for losses, and is charged at the full company tax rates of 45 percent.

"So I am all in favour of scrubbing all that and having a proper capital gains tax--taxing all gains and not just selected ones--that is integrated with the income tax system so that you can deduct appropriate expenses from capital gains tax instead of income tax."

Other rich people's tax avoidance schemes which seem certain to get the chop this year include one-year "life bonds" issued by some insurance companies, and probably tax-free dividends paid out of company capital.

Remaining tax concessions for life insurance and private superannuation are being reviewed in a discussion paper to be published within the next month.

Mr Hoare said that trusts, which have a minimum tax rate of 35 percent set when that was considered high, could see that go up to 45 percent if the top personal tax rate comes down to that level.

#### Standard Deduction

He said the government might follow the American precedent of taxing interest and dividends at source to reduce tax evasion, but he thought there would be little gained by adopting the Australian idea of identity cards when New Zealanders already have Inland Revenue Department numbers.

He said the government might reform depreciation allowances to allow a standard deduction of so much a month for each kind of asset.

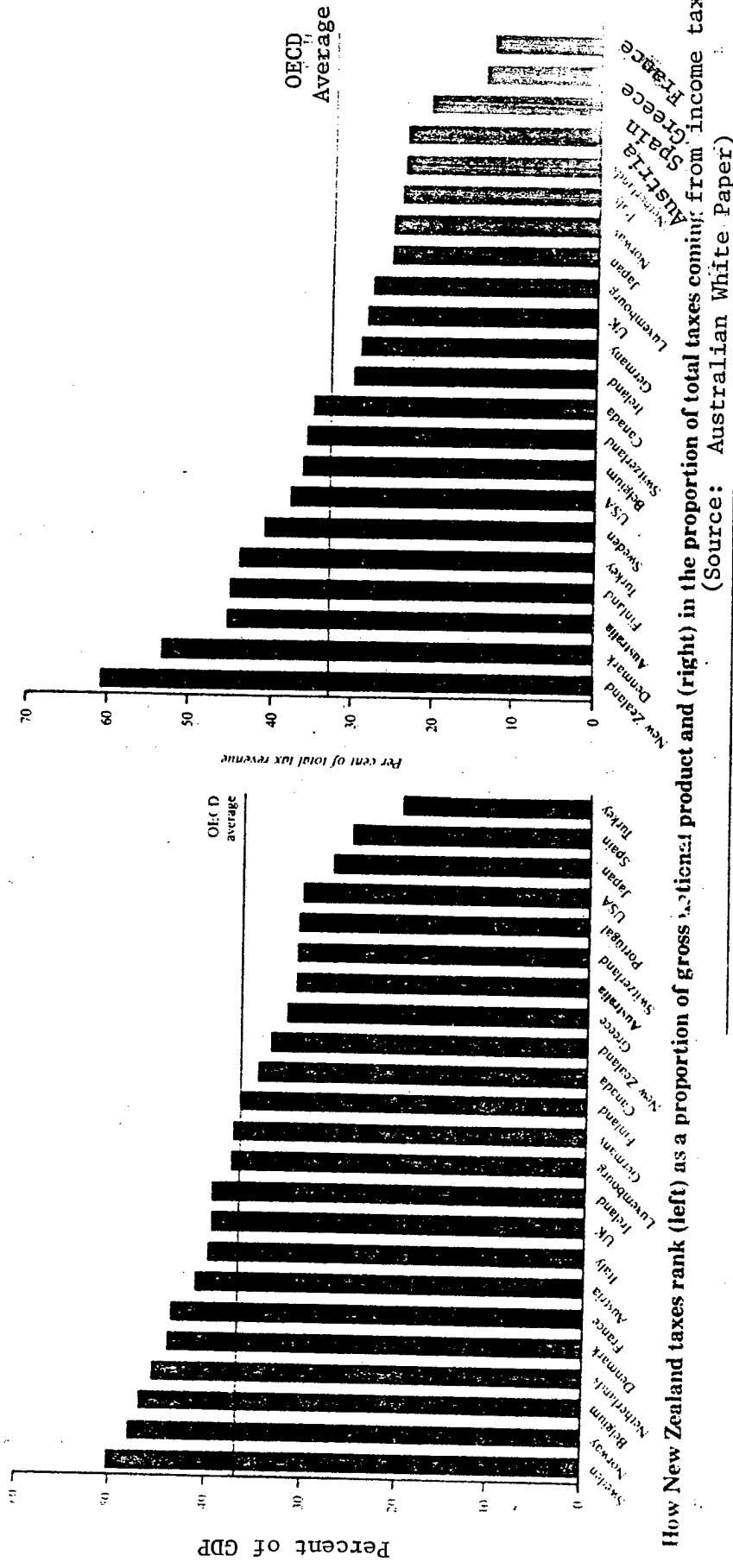
Under present rules, the full 25 percent first-year depreciation allowance can be claimed on a machine bought on the last day of the tax year.

But perhaps the most politically risky lurk to deal with is the present 100 percent write-off allowed for farm and forestry development in the first year.

Mr Bevin said the government might decide to phase this out and eventually put farms and forests on the same basis for depreciation as other industries.

Footnote: Readers of the article on this page yesterday may have wondered how the American reform could claim to abolish income tax for a family earning \$US12,000 (\$NZ26,800) a year, when the table showed proposed tax exemptions of only \$US2,900 for individuals and \$US4,000 for families.

The United States Embassy in Wellington said the \$US12,000 income cited was for a family with four children, which would be able to claim the \$US4,000 family deduction plus \$US2,000 for each of the four children, a total of \$US12,000.



How New Zealand taxes rank (left) as a proportion of gross national product and (right) in the proportion of total taxes coming from income tax. (Source: Australian White Paper)

NEW ZEALAND

GOVERNMENT BRIEF 'ASSUMES' 10 PERCENT PAY INCREASE

Auckland THE NEW ZEALAND HERALD in English 13 Jun 85 p 1

[Text] Wellington (NZPA)--The government economic briefing to participants in the 1985 tripartite wage talks is believed to assume a 10-percent average wage increase for the 1985-86 award round.

Sources close to the talks said the government assumption had also allowed for a further 2 percent drift increase during the 12-month round which is to begin in September.

They said the paper also made another assumption, confirming the figure mentioned in the goods and services tax white paper, that a 10 percent GST tax would be introduced on 1 April next year.

The sources said the wage round assumption contained in the Treasury briefing paper was neither a government prediction of the outcome of the round, nor a prescription of what it ought to be.

They said the figures mentioned in the paper had to be seen purely as a basis for discussion and a possible wage round outcome.

Treasury

On 6 May, the prime minister, Mr Lange, indicated to reporters that the government wanted wage increases kept below 10 percent this year.

The sources said present treasury estimates indicated that nominal growth in national income in the year to March 1985 was about 18 percent.

They said it was the treasury's belief the present policy setting was likely to be consistent with nominal growth in national income of the order of 10 to 13 percent in 1985-86, falling to around 7 to 9 percent in 1986-87.

The sources said the government believed the wage round beginning in September would take place in a period of far-reaching change intended to turn the economy around from the dismal performance of earlier years.



The government was committed to help low-income earners in difficult economic circumstances.

#### Relationship

The sources said the Family Care package last year was the first instalment, and the introduction of GST next year would finance significant improvements for those on low incomes.

Meanwhile, the secretary of the Federation of Labour, Mr Ken Douglas, said after the talks that the federation's quest for an interim wage increase before the September round had not been discussed yesterday.

Mr Douglas said the question had been separately. [as printed] The sources, commenting on the relationship between wages and profits, said the government believed firms would increasingly find they were less able to pass on higher wage costs in higher prices during the next year.

The government considered present high profit levels reflected, in part, buoyant economic conditions and might not indicate longer term profitability.

The sources said erosion of profits would in the longer term have detrimental effects on the level of the wages businesses could afford to pay.

#### Papers Tabled

After the second meeting of the 1985 tripartite wage conference yesterday, the acting minister of labour, Mr Prebble, said a tripartite working party meeting on the low-paid would be held today.

Mr Prebble said the government and employer and union parties had tabled papers at the meeting. [phrase indistinct]

The possible interim wage increase was now a matter for the government to respond separately on.

"It is really a matter for the government to comment on," said Mr Douglas.

However, Mr Prebble declined to comment specifically on the issue.

The acting executive director of the Employers' Federation, Mr Ray Taylor, said the meeting yesterday had been held in the context of an imminent budget.

"We have been made privy to some broad policy thinking of the Minister of Finance [Mr Douglas]," Mr Taylor said.

CSO: 4200/1287

NEW ZEALAND

REPORTAGE, REACTIONS TO 1985 BUDGET

Growth Forecast

Auckland THE NEW ZEALAND HERALD in English 14 Jun 85 p 4

[Text] Gloomy warnings in recent months that the economy could slip into a recession have been abandoned in the preparation for the 1985 budget.

In an economic commentary document, included with the budget for the first time, a real economic growth rate of 2 percent is forecast for the year up to March 1986.

Although this is much slower than the 12.2 percent growth between March 1983 and last December, it is equal to or better than growth in six out of the eight years immediately preceding the recent boom.

It is also a sharp improvement from the zero growth forecast for this year in projections published by the Treasury in March.

Unemployment

The improvement flows from the fact that consumer spending has kept up much more strongly than expected in the first two and a half months of the financial year, and is now expected to fall in real terms by only 1 to 2 percent during the year.

This is forecast to keep unemployment below 4 percent compared with 5.3 percent in the last Treasury projections in November.

The unemployment rate has been above 4 percent for the past 3 years, reaching a peak of 6.2 percent 18 months ago, and has fallen below 4 percent only in the past 2 months.

However, the stronger-than-expected growth will have a cost in other areas of the economy.

## Inflation

Inflation for the financial year is now forecast at 12 percent, up from forecasts of 8.3 percent last November and only 7.5 percent before the change of government last July.

Exports, which have not grown as quickly as forecast in recent months, are expected to grow by 8 percent in volume, compared with earlier forecasts of 6.1 percent.

But the stronger-than-expected economy means that imports will fall in volume by only 2 percent, compared with earlier forecasts of a 7.5 percent decline.

The terms of trade are also expected to decline further.

The balance of payments deficit is therefore now expected to fall only from \$2.6 billion in 1984-85 to \$2.1 billion in 1985-86, or around 4.7 percent of the gross domestic product, compared with the previous forecast of 1.6 percent.

## Dollar Value

The commentary implies that the value of the New Zealand dollar will drop because inflation will be higher in this country than overseas.

"While the exchange rate may be expected to adjust to broadly offset the impact of domestic inflation on the competitiveness of the exporting and import substitute sectors over the longer term, the rate is more likely to be influenced by capital flows in the short run," it says.

"Changed expectations about future domestic inflation could lead to domestic and overseas investors rearranging their portfolios of New Zealand and foreign assets.

"The effects of this on the exchange rate could bring forward the impact on the economy of changing expectations about inflation.

"For example, if people expect policies to be more successful in bringing down inflation, then this changed perception is, other factors remaining unchanged, likely to result in some strengthening of the exchange rate."

## Hard to Judge

In fact, however, inflation is now expected to be higher than the Treasury had previously forecast.

The commentary says the economic impact of the halving of the budget deficit is difficult to judge.

"The lower government borrowing requirement should act to reduce interest rate pressures and hence stimulate interest-sensitive private investment and consumption expenditure over time," it says.

But interest rates will stay high enough to cut private residential investment by up to 5 percent, with other private investment increasing only marginally by less than 1 percent.

Government capital works spending, however, will increase by 26 percent, with big investment programmes for electricity and the Post Office, extra purchases by Air New Zealand and a further investment in New Zealand Steel and Petrocorp.

#### Real Incomes

On the other hand, the commentary notes that the cut in the budget deficit will also cut people's real after-tax incomes.

"The negative impact of this reduction on consumption and investment demand will be moderated if consumers and investors accept that Government expenditure (and therefore their future tax burden) will be reduced," the commentary says.

It suggests that investment could be sustained by faith that the budget will improve prospects for the economy, and hence real incomes, over the medium term.

#### Business Approval

Auckland THE ZEALAND HERALD in English 14 Jun 85 p 4

[Text] The budget earned a generally favourable reaction from the business community last night.

The president of the Employers' Federation, Sir William Leuchars, applauded moves to cut the deficit and said he looked forward to a reduction in interest rates.

But he added that the reduction in the deficit was largely achieved by a 30 percent increase in tax take and other government changes which would be disastrous for those industries under pressure.

"Interest rates must come down if we are to have more investment and consequently more jobs."

He welcomed the government's call for flexibility in the wage-fixing system.

The acting chairman of the Bankers' Association, Mr Jim McAuley, described it as a good budget which continued the thrust of orthodox economic policies introduced by the Labour Government.

He hailed the substantial reduction in the fiscal deficit, adding: "The reduction of \$700 million in the public debt programme for 1985-86 we think will see a lowering of interest rates, although it might be slowed down by the September tax period."

An economic consultant, Mr Len Bayliss, said the drop in budget deficit by nearly \$2 billion over two years was a major achievement and one that was urgently needed.

19 August 1985

"However, with inflation forecast to be around 12 percent in March 1986 and with the external deficit estimated at \$2 billion, there is obviously... no room for any relaxation in existing policies."

The president of the Retailers' Federation, Mr John Nelson, said that while the reduction in the deficit was welcome, it must be remembered that it had come mainly from increased tax revenues and increased government charges.

"More detail on some of the issues is needed in order to assess the benefits or otherwise. However, the changes in training and employment subsidies, and the increased housing provisions will all represent better employment opportunities.

"High interest rates and the underlying level of inflation remain a concern and still inhibit investment."

The president of the Manufacturers' Federation, Mr Earl Richardson, said the low and evidently falling budget deficit meant interest rates would fall in due course. That would be heartily welcomed by manufacturers.

He said manufacturers looked ahead to the budget's second instalment in September, a speedy settlement of GST questions and downward revision next year of income tax rates.

The vice-president of the New Zealand Chamber of Commerce, Mr Robert Duncan, described the budget as sound, good, honest, and frank.

"It recognises policies the Chamber of Commerce has been advocating for years," he said.

"I am not at all upset with it, but I look forward very much indeed to the restructuring of tax later in the year."

#### FOL 'Concern'

Auckland THE NEW ZEALAND HERALD in English 14 Jun 85 p 4

[Text] NZPA--Wellington--The president of the Federation of Labour, Mr Jim Knox, last night identified five areas of major concern in the document.

First, Mr Douglas' total reliance on control of the money supply to achieve the government's objectives was dangerous, Mr Knox said.

"Such dependence on one economic lever is fraught with risks and relies on the cost of adjustment being borne by wage-earners in particular," he said.

Secondly, the deliberate moves to remove import controls and free up the flow of foreign goods into New Zealand would cause severe dislocation and risk a dramatic rise in unemployment, he said.

### Priorities Reversed

Thirdly, flexibility in wage levels--as suggested by Mr Douglas in the budget--was not desirable in a situation where there was no adequate foundation.

Flexibility must be based on a minimum living wage, Mr Knox said.

Fourthly, on the taxation front, the government continued to have its priorities reversed, Mr Knox said.

### Retrograde Step

While the goods and services tax went forward, and the royal commission on social welfare was set up there had been no moves to genuinely widen the tax base.

Finally, Mr Knox said, the phasing out of the project employment programme scheme in favour of private-sector wage subsidies was a retrograde step.

### Editorial Analysis

Auckland THE NEW ZEALAND HERALD in English 14 Jun 85 p 6

[Editorial: "Down With the Deficit"]

[Text] Much as expected, the nation's 1985 accounting is virtually a holding budget in the shadow of the major upheaval expected after 1 April next year. Mr Douglas has one big story to tell and he presents it with a flourish: the fiscal deficit has been hauled down from the horrendous level of \$3.1 billion at 31 March 1984, to an estimated total of \$1.3 billion at March next year.

Mr Douglas hails the big cut as a major achievement reached more than a year ahead of schedule, and he no doubt deserves due credit. A number of things should flow from the reduction, including easing of inflationary pressures and reduced crowding by the government into the pool of local capital, with less strain on interest rates through less state competition.

In the manner of a good stage illusionist, however, Mr Douglas places little emphasis on how it has been done. His preference in what has been billed as a spending budget is to speak of "61 new policy initiatives under nine heading" for education, "new measures in three areas" for the unemployed, "an allowance for some real growth" in the funding of hospitals (a late addition?), "remedial action on three principal fronts" in the justice system, and so on and so on.

What Mr Douglas does not say, but what his figures show, is that his projected expenditure this year against the actual expenditure last year is up 13.5 percent, whereas his projected receipts on the same basis are up 28.4 percent. That is, for all the talk of a spending budget, he is increasing his takings at twice the rate of his expenditure.

In this, he has been helped by the extraordinary recent rate of economic growth, which is still evident although slowing, and by the resurgence of inflation, which was most recently at 13.4 percent a year and is estimated to be 12 percent at next March. One severe drain, however, continues to be the cost of debt services, estimated to be \$3.2 billion in 1985-86, up 25 percent in one year and 57 percent in two years. Mr Douglas must dearly want this off his back, but it is unlikely to leave him alone.

National superannuitants have certainly not left him alone, or for that matter any other member of Parliament. Perhaps with more than half an eye on the Timaru byelection tomorrow, Mr Douglas has thrown the dog a bone. The 13-week limit for overseas trips is to be doubled, an entirely sensible measure, and a hint is dropped about possible "portability" in future.

In addition, the exemption levels for the other income of superannuitants are raised by about 15 percent--but not until 1 April next year. And at that time an entirely new tax regime is to take effect. So the real value of any exemption then is an unknown quantity now. The super dupes may not be much appeased.

Mr Douglas' attention to public sector efficiency is welcome enough; the effect seems likely to relieve taxpayer Peter at the expense of user Paul. This move may have wider effects than appear on the surface.

Another interesting move is the authority granted to the electricity division to supply users directly where, by inference, major users are judged (by whom?) to be charged too much. The effects of this could also be substantial. Industry may be pleased, but ordinary consumers will certainly want to know what it does to them.

[Word indistinct] then, to "later in the year" and Mr Douglas' promised statement about tax and benefit reform. There should be much more interest in that.

#### Opposition Cites Tax Increase

Christchurch THE PRESS in English 14 Jun 85 p 1

[Text] Wellington, (PA)--An increase in personal income tax is the reason behind the huge reduction in New Zealand's internal deficit, according to the Opposition.

The Leader of the Opposition, Mr McLay, told journalists that the deficit was low because the Minister of Finance, Mr Douglas, had increased personal income tax revenue about 30 percent.

"In other words, there will be an increase of nearly one-third in the total amount of personal income tax that is gathered in the coming financial year.

"It is very easy to reduce a deficit by increasing the amount of taxation you gather," Mr McLay said.

The hard way was by reducing government spending. "That is something that the government has not really attacked across the board."

Mr McLay also criticized the government's decision to reduce spending in agriculture.

The budget voted \$239.3 million for the 1985-86 financial year in comparison with the \$636 million spent during the 1984-85 financial year.

Gross agricultural expenditure fell 55 percent largely because of a decrease of 82 percent in expenditure on grants and subsidies after the discontinuation of supplementary minimum prices.

"That effectively means that the services that are available to New Zealand's farming industry--which is still New Zealand's biggest earner of overseas funds--will be very rapidly reduced," said Mr McLay.

"The Ministry of Agriculture and Fisheries will have people on the ground, it appears, but they simply won't have the ability to deliver services to farmers any more."

Commenting on the 30 percent sales tax reduction on cash registers, Mr McLay said, "that is rather like saying we will give you a discount on the noose."

There was still a very real prospect of a goods and services tax higher than 10 percent.

"I think GST is no more attractive than it was before the delivery of this budget," said Mr McLay.

He described the budget speech as pure political fluff.

Mr McLay said New Zealand families would get no relief in the budget from rising food prices or increased power and telephone bills.

CSO: 4200/1287



NEW ZEALAND

EDITORIAL LINKS COMPULSORY UNIONISM, DEBT

Wellington THE EVENING POST in English 15 Jun 85 p 6

[Editorial: "Nothing Gained"]

[Text] The government has paid a political debt to the trade union movement by pressing ahead with the compulsory union membership legislation.

The debt was incurred through strong union support for Labour to win back the Treasury benches. It also related to philosophical and practical links between the political and industrial wings of the labour movement--links which at times have undergone strain and neglect.

It is a debt repayment which is unlikely to win the Labour Government much acclaim from voters. Public opinion polls show a strong prejudice against compulsory unionism. Even the trade unions have not stilled their criticism of Labour's economic direction.

Given all of the hue and cry about our brief experience with voluntary unionism, has anything been gained or learnt from the experience?

Not much, it seems, and we may have to go through it all again. A National government would repeal the compulsory union membership legislation.

The government was in a position to do more to take account of the widespread feeling against compulsion to belong to a union while at the same time helping to improve trade union provision of service, communication and internal democracy.

There is no doubt that the brief test of voluntary unionism forced some unions to do more to improve their service and their image among members. They had to make workers actively want to belong regardless of the union membership law.

Now there is a risk that such a spur is no longer present. It will be easy for unions to be less eager to please members as "customers." The comfortable assurance of membership numbers and dues can lead to the arrogance of monopoly.

The new law provides a right of objection and regular ballots on compulsory unionism but the tilt is still seen to be in favour of unions.

National's voluntary unionism was not an unqualified success and did not overcome predictable problems. Had it remained for long it may have brought about more difficulties than it solved.

Voluntary unionism did not prevent certain unions from virtually enforcing, and certain employers condoning, closed shops despite what the law said. It did not help certain individuals who chose the new right given to them by the law but who then lost in the face of concerted opposition.

There remained the unfairness and unrest brought about by allowing workers to opt out of unionism while enjoying the benefits won by the union.

Labour chose to enter into, and has honoured the particular obligation to the trade movement without negotiating much in the way of changes to accommodate public feeling on the matter, or past experience with the faults of compulsory or voluntary membership. The party must now live with that choice and the wasted opportunity.

CSO: 4200/1287

PHILIPPINES

BRIEFS

TROOPS HUNT NPA--More troops have been sent to the mountain ranges of Albay to hunt down the rebels who raided Manito town last Monday afternoon. During the raid, the NPA killed one policeman and robbed government offices of guns, equipment, and supplies. According to the chief of Unified Command 5, Renato de Villa, the fielding of additional troops is in line with the government campaign against subversives in the Bicol Region.  
[Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 24 Jul 85]

CSO: 4211/78

THAILAND

PREM TO MEET WITH SIHANOUK AT UN IN SEPTEMBER

BK260215 Bangkok THE NATION in English 26 Jul 85 p 2

[Text] Prime Minister Prem Tinsulanon is expected to meet Prince Norodom Sihanouk, leader of the coalition government of Kampuchea, in New York during his week-long stay in the United States in September.

An informed source told THE NATION yesterday that Prem is scheduled to arrive in New York from Honolulu on 29 September, when he is tentatively scheduled to have a "working dinner" with Prince Sihanouk and ASEAN foreign ministers attending that United Nations General Assembly.

Prem will be one of the world leaders attending the UNGA [United Nations General Assembly] to mark the 40th anniversary of the UN. He would be the fourth leader to address the UNGA on 30 September, according to the source.

During his stay in New York, Prem will also take the opportunity to meet and discuss ways to promote Thai products and increase foreign investment in Thailand with leading U.S. business executives.

He would also chair the meeting of Thailand ambassadors from the U.S.A., Canada and Latin America in New York to review the work and plans of the Thai representatives, the source added.

Prem is also expected, the source said, to meet with senior U.S. officials to discuss matters of mutual concern. The source spoke on condition he not be named.

If time permits, the premier will also take a sightseeing trip to Boston and meet with the Thais living in the area.

He is scheduled to leave New York for London on 4 October before flying home.

In Hawaii, Prem will deliver the keynote speech to the Council of Foreign Affairs, Honolulu chapter, the source said.

CSO: 4200/1273

THAILAND

TRADE DELEGATION TO VISIT PRC, JAPAN, ROK

BK240358 Bangkok BANGKOK POST in English 24 Jul 85 p 17

[Text] The countertrade proposal of Thai fishmeal for Chinese soybean meal will be raised during negotiations between Thai delegation and Chinese officials this week, Foreign Trade Department's Deputy Director-General Chatchawan Sukitwanit said.

Mr Chatchawan will head a trade mission, comprising government officials and representatives from the fishmeal and vegetable oil industries, to visit China during 25-29 July.

He said he had visited China earlier this month to urge the country to buy Thai fishmeal whose prices had fallen to low levels because of huge stocks.

During the trip, the Thai side will offer to supply up to 10,000 tons of fishmeal in exchange for China's soybean meal, while price quotation will be based on the selling price in Thailand.

Mr Chatchawan said, however, that the quality of soybean meal to be supplied by China would have to meet conditions set by the representatives from animal feed producers.

He said if the quality happened to be sub-standard, animal feed producers could reject the shipment.

In addition to China, the mission will also visit Japan during 29-31 July and South Korea between 1-3 August to hold talks on the supply of vegetable oil to the two countries.

Japan and South Korea currently import Thai vegetable oil through third countries. The mission will negotiate for a direct import.

CSO: 4200/1273

THAILAND

DAILY ON ASSEMBLY ABSENCE OF 'MILITARY SENATORS'

BK230149 Bangkok BANGKOK POST in English 23 Jul 85 p 3

[Editorial: "Significant Display of Army Unity"]

[Text] Passage of the Social Action Party [SAP]-proposed constitutional amendment on electoral procedures in a joint parliamentary session yesterday resolves the threat of a political crisis. The vote for the bill must be considered relatively low as the number who favoured the bill was 298. The total is only 14 votes over the minimum of 284 needed for passage.

The fact that 113 MPs, believed to be mostly military officers who are senators, were absent showed that there was dissatisfaction with the bill. The bill could not be said to have adequate approval of Parliament, although the vote was more than half the membership of both Houses. It did not have the widespread sanction one would like to see given a bill of this significance.

The absence of the MPs showed that they did not support the bill, or even that they are against it. They simply did not want to attend to announce their abstention which, in such a case, is tantamount to a negative vote. Only 27 dared to be present to declare that they abstained from voting. The absenteeism was probably resorted to as a strategem, after Senate whips started to urge all members of the Senate to vote "yes" on the bill.

Particularly interesting is the report that the whips, especially those supposedly close to the Prime Minister, had earlier campaigned for a "one man-one vote" system. Obviously after some persuasion by General Prem Tinsulanon, the government whips in the Senate worked hard to turn the senators around to voting for the SAP bill. But the "one man-one vote" idea had stuck.

The senators had agreed that the "one man-one vote" system was best or at least better than the SAP-proposed system. The SAP system calls for division of provinces with large populations into constituencies where an eligible voter may elect up to a minimum three candidates to the House from each constituency. The voter does not have to vote for all the candidates of a single party.

This system was proposed as an amendment to the constitutional provision providing for province-wide constituencies with a voter required to elect the whole slate of candidates entered by a political party in each constituency. Originally this procedure was proposed to strengthen the party system, making it possible for one party to win a majority of seats in the House to form a government without having to negotiate with other parties to form a coalition.

The "one man-one vote" system which will divide the whole country into small constituencies of 150,000 head of population who will vote for one representative to the House. [Sentence as published] The military members of the Senate contend this is the truly democratic system which is the system used by the Western democracies.

Their argument is this: When the Social Action Party and others in the government coalition rejected the military-proposed constitutional amendment to make it possible for senators who are also active military officers and civil servants to be appointed to political posts, these political parties gave the reason that they were fighting for true democracy.

Now, the military senators felt, these same parties prefer a system that they say is not truly democratic. They were of the opinion that the parties stood on principle only up to the point where it conflicts with their own partisan interests. That may or may not be the case but now that the bill has been passed no matter by what sort of majority the rule of the game calls for everyone to go along until any further changes, if any, take place.

The important point is that this is not a matter of who won or who lost, for better or for worse. It is all over and the government and Parliament had better get on with the job of running the country. When the time comes, the people will come out and express their judgment of the actions of the members of the government and of Parliament in the balloting booths under the system that has been prescribed for them whether they like it or not.

The most significant event during the Parliamentary voting was something which had nothing to do directly with politics. It is that the active officers of the Army stood firm together on the issue. This clearly indicates that despite rumours of rivalries among the graduates of different classes of the military academy, the Army is united. It is important to know there is such unity in the face of existing external threats.

CSO: 4200/1273

19 August 1985

THAILAND

## OPPOSITION MP CALLS FOR CABINET RESHUFFLE

BK240200 Bangkok THE NATION in English 24 Jul 85 p 3

[Text] The narrow margin of victory in the Parliament for the passage of the bill to change the electoral system on Monday necessitates a Cabinet reshuffle to strengthen government stability, an opposition MP said yesterday. Khon Kaen MP Khlaeo Norapati (Social Democrat) said although the government could muster its control over civilian senators to vote in support for the Charter amendment bill, it evidently failed to persuade military senators to do the same.

Khlaeo said though the constitutional amendment bill was proposed by Social Action Party (SAP) leader M.R. Khukrit Pramot, it could also be seen as a government-sponsored bill since SAP is the largest party in the coalition government.

The outcome of the vote, said Khlaeo, clearly indicated the erosion of Prime Minister Prem Tinsulanon's position as well as the stability of the government.

The instability together with its poor economic performance would leave the government with no other choice, but a Cabinet reshuffle in order to ease the pressure on the government.

"If there is no Cabinet reshuffle while the people are facing economic hardships, the overthrow of the government by force is very likely. The result of the vote on Monday is a good indication," Khlaeo said.

Khlaeo's statement came after the constitutional amendment bill seeking to change the electoral system from the province-wide constituency and party ticket system to the multiple constituencies and individual candidacy system narrowly won the approval of the Parliament in its final reading.

During the Monday session, most of the military senators were absent to show their disagreement with the proposed bill, while those attending voted either against or abstained.

CSO: 4200/1273



THAILAND

MINISTER NAMES NEW CABINET SECRETARY GENERAL

BK260151 Bangkok BANGKOK POST in English 26 Jul 85 p 3

[Text] Deputy Permanent Secretary for Interior Anan Anantakun, who is also director of the administrative centre in the five southernmost provinces, will become the Cabinet's next Secretary General, Interior Minister Sitthi Chirarot said yesterday.

General Sitthi said that there was an official request from the Prime Minister's Office for the transfer of Mr Anan, who is slated to replace the present Secretary General Plang Michun, who is due to retire at the end of September.

Describing Mr Anan as an able administrator, General Sitthi said that Anan has been very successful with his work in the south especially the suppression of illegal tin smuggling and widespread log poaching. Mr Anan has served in the south for 3 years.

General Sitthi said he was not certain when the matter would be raised at the Cabinet for approval, adding that he had no objection to the transfer and would look for a suitable person to take over Mr Anan's job.

Deputy Prime Minister Prachuap Suntharangkun, in confirming Mr Anan's imminent transfer, said another suitable person would be picked to become the next director of the administrative centre of the five southernmost provinces.

Anan, 53, is expected to be transferred to the new position by 1 October.

Contacted by the POST last night in Yala, Mr Anan declined to comment on the transfer saying he has yet to be officially notified.

CSO: 4200/1273

THAILAND

NATION ON UPCOMING BORDER TALKS WITH LAOS

BK290209 Bangkok THE NATION in English 29 Jul 85 p 4

[Editorial: "Minor Matters Must Not Affect Thai-Lao Talks"]

[Text] Thai-Lao relations have been deteriorating for some years for reasons which we consider trivial. The actual issue is whether three small border villages--Mai, Sawang and Klang--belong to Thailand or to Laos. Actually they are too small to be of any strategic importance to either country. A just settlement which can only be made by cartographers and abrasive politics is not called for. Previous meetings between the delegation of Thailand and Laos in Bangkok floundered because Laos refused to accept that a delegation of experts should decide the issue rather than politicians.

However, Laos insisted that the issue of the small villages must first be settled and the discussions appeared more like face-saving measures than anything else. As the relations began to slide without positive approaches being made by either country, an overture came on the first of this month from Vientiane in the form of the radio broadcast of a letter from the Laotian deputy prime minister [as published] to the Laotian foreign minister [as published] indicating that better relations with Thailand should be sought.

This broadcast caught our Foreign Ministry in a dither because it also insisted that the three villages belonged to Laos and should be returned by Thailand. However, when the matter was thoroughly considered, the Foreign Ministry came to the correct decision of sending senior delegation to Vientiane for the improvement of relations. Perhaps using the phrase "normalization of relations" is wrong because the diplomatic representations in both countries have not been affected and the cross-border trade has also not been affected.

It is quite possible that Laos will again place the issue of the three villages on the top of the agenda for negotiations and it will depend on the diplomacy of our delegates to point out how unimportant the matter is considering the high importance of increasing trade and commerce as well as seeking progress in the Mekong Development Project. Vientiane must be made to see that Thailand will have no objection to Laos taking

the three villages if the experts of both countries agree that it does belong to Laos and that it is a non-political matter which should not stand in the way of developing higher levels of friendship which are of historic importance.

We are heartened by the statement of Foreign Ministry spokesman Sawanit Khongsir that the Thai delegation will be taking a line to demonstrate its sincerity to settle the various problems through peaceful means and to restore Thai-Lao relations to a state of normalcy. We are sure that Laos will seek the opening of more border checkpoints and all of them could be considered on their merits. Once it has been made plain to Laos that there is absolutely no animosity towards Laos, despite the fact that it has a different system of government, we hope the talks will progress smoothly.

CSO: 4200/1273

THAILAND

DAILY ON DELEGATION'S UPCOMING VISIT TO LAOS

BK290147 Bangkok THE NATION in English 29 Jul 85 p 2

["News analysis" by Kawi Chongkitthawon: "Thai-Lao Relations Take a New Positive Step"]

[Text] Once again, surprise was in the air over at Saranrom Palace [Foreign Ministry] when the Foreign Minister Sitthi Sawetsila suddenly agreed to accept Laos's repeated overture for consultation to resolve outstanding problems between the two nations.

Last Friday, while the Foreign Ministry's spokesman was briefing reporters on the latest development along the Thai-Lao border in Uttaradit at a routine press conference that there had been no progress yet whatsoever on the bilateral relations, the director general of political department relayed the message to Lao Ambassador to Thailand Kamphan Simmalavong that a special three-man delegation will visit Vientiane today to lay the groundwork for future talks and, at the same time, to present a personal message of the Thai foreign minister.

Why the about-turn? The answer, observers here have suggested, is that Thailand intends to preempt the Laotian move in the forthcoming Non-Alignment Movement [NAM] foreign ministers conference in Luanda, Angola, which is scheduled to be held in the middle of September. There, Laos and the Indochinese states might seek to add the condemnation of Thailand regarding the Thai-Lao dispute over the three villages, which remains unresolved after the 13-month deadlock, in the communique to be issued at the end of NAM meeting on the paragraph dealing with the current situation in Southeast Asia.

Thailand avoided condemnation by NAM countries and subsequently at the United Nations despite Laos' vigorous campaigns to discredit Thailand and the UNGA [United Nations General Assembly]. This year, Thailand wants to prove to the world community that it has disproved Laos' repeated accusations.

Another factor, which has contributed to the foreign minister's decision to Laos's call, could be Japan. Before the acceptance of the Lao invitation, a group of journalists from Japan asked for an inspection tour of the three disputed villages. The Japanese journalists were immediately

granted permission to visit Ban Bo Bia, which is about few hundred metres away from the Thai border. Their objective was to tour the border. They reconfirmed the Thai's position that no Thai soldiers were stationing on the Lao soils.

The visit of the Japanese journalists at this time was very unusual. For one thing, the initiative came from Japan. Japan has been the only Asian country which has been very supportive of Laos, and wants to see the relations between Laos and Thailand normalized as soon as possible-- for several reasons.

The most immediate reason is that Thailand had frozen huge quantities of Japanese products inside Thailand causing Japanese companies millions of baht in losses over the 13 months' war of words.

Japan in the past years has constantly increased economic assistance to Laos, which this year's aid expects to amount to more than two billion yen (about 200 million baht). Japan's main aim is to stabilize Laos by improving its economic performance and infrastructure. Laos is considered by the Japanese foreign policy makers as a "strategic country," which is crucial to the security of Thailand. A healthy and neutral Laos, they think, will certainly benefit its neighbour.

Due to the soured relations which resulted from last year's incident over the three villages, several Japanese companies have also delayed various projects in Laos. For example, Japan's Takeda pharmaceutical company has proceeded at a slow pace its construction of a medical plant in Laos because of the lack of construction materials and other necessities which are being frozen inside Thailand.

Other companies suffer similarly, one Japanese company could not deliver several thousand tons of asphalt for road constructions there. These products were stocked on the Thai side waiting for the ban on sales of strategic goods to be lifted.

For the past 13 months, both sides have been dickering over the proposed talks and have failed to sit down for negotiations, except on the first two occasions when talks ended in a deadlock, for they had accused each other of insincerity.

The brief visit by the Thai envoys would be important for future negotiations because problems between the two countries are numerous, big and small. Problems similar to the one along the Thai-Lao border in Uttaradit, opposite Sayaboury can also be found in other parts of the long stretch of demarcation line which passes through dense jungle.

Thai officials are hopeful that certain problems arising from the unclear demarcation line can be solved at a later date when the ties between the two countries return to normal. The process of remarking the border's demarcation line between Thailand and Malaysia is a good example. Officials

from the two countries have nearly completed the process after several months of hard work.

One has to be realistic too. The talks in Vientiane will be a long way from producing a new agreement but it is hoped that it would encourage both sides to engage in continued discussion using the existing framework. A Thai Foreign Ministry official said if Thai special envoys find enough flexibility in Laos' position, an agreement may be possible in the future.

Sitthi's letter to his Laotian counterpart will be warm but correct to reaffirm the Thai position that the border issues should be settled at the local level, first and foremost. The Thai side is of the opinion that provincial officials should also play a larger role in solving the cross-border problems which affect their daily livelihood.

It is hoped that the two neighbours, who can communicate with each other in their own language, can resume normal relations as soon as possible because people living along the Mekong have been suffering for far too long from the anxieties that have hit their leaders. Normal trade transactions and opening up of more border checkpoints in the future have been recommended.

If all goes well in Vientiane in the next few days, Thailand would also later hope to see more progress on the voluntary repatriation programme so that Laotian refugees wishing to return to their homeland can do so.

The Thai foreign minister said over the weekend that by sending the Thai envoys to Laos, Thailand wishes to demonstrate that it has an open mind.

Another Foreign Ministry official told THE NATION that this trip would be a "get-acquainted meeting" in nature after more than a year of cooling off period in the Thai-Lao relations. It should not be laced with too high an expectation. The purpose of this meeting would be to get to know each other and assess each other's commitment to the solving of common problems.

CSO: 4200/1273

THAILAND

DAILY RAPS JENKINS BILL AS DISCRIMINATORY

BK250215 Bangkok THE NATION in English 25 Jul 85 p 4

[Editorial: "'Jenkins Bill' Is Protectionist and Discriminatory"]

[Text] The highly controversial "Textile and Apparel Trade Enforcement Act of 1985" (commonly called the 'Jenkins Bill') is up before the Congress and initial assessment in Washington is that the bill is likely to be passed. If it is it will have a very damaging effect on developing countries and, as one of the textile exporters to the United States, Thailand will feel the strong backlash. It is a kind of discriminatory protectionism since Canada and the European Economic Community are excluded from it.

But the administration of President Ronald Reagan is strongly opposed to it, the main dissent coming from Secretary of State George Shultz, Commerce Secretary Malcolm Baldrige and Treasury Secretary James Baker. It has even been leaked that, should the bill be passed, it is very likely that Reagan will veto it.

It has also been pointed out that such a law will go against the Multifibre Arrangement under the General Agreement on Tariffs and Trade (GATT). Further this move may also prove to be very costly for the U.S. consumers who have depended on low-cost imports. And the Reagan administration has pointed out that imports from the developing countries have been decreasing during the past 2 years. During the first 4 years of Reagan's presidency, U.S. domestic textile and apparel production had increased by 7 percent.

While Thailand and other textile exporting countries have voiced strong objections, the American Chamber of Commerce joined the chorus yesterday by sending a cable to the U.S. Congress. "Thailand, a staunch friend with which the United States has a special relationship, would become a needless victim of that legislation. The Jenkins Bill is not sound law," it said.

The chairman of the House Subcommittee on Trade, Representative Sam Gibbons, is expected to visit Thailand next month. He is a powerful man in the House of Representatives and is said to have an open mind on the Jenkins Bill. While he is in Bangkok he will be listening to both official views and that of businessmen. Thailand is right now considering the extension of invitations to representatives from fellow-members of ASEAN who are exporters of textiles and whose views will strengthen the Thai stand.

CSO: 4200/1273

THAILAND

SEIZED CHAMOI VALUABLES WORTH 50 MILLION BAHT

BK250241 Bangkok BANGKOK POST in English 25 Jul 85 pp 1, 3

[Text] An assortment of jewelry including three 10-carat diamonds, a necklace studded with 129 half-carat diamonds and many other jewels were found in the two safes taken from a secret compartment in Mrs Chamoi Thipso's house, Crime Suppression Division [CSD] officers reported yesterday.

CSD police earlier contacted Mrs Chamoi, now in detention at Khlong Prem central prison, asking for combination numbers to open the safes but she refused. Police then summoned safe and lock experts to open them.

The finding brought the total of valuables and cash seized from the chit fund operator's house to over 50 million baht worth of jewelry, gold bars and ornaments and nearly six million baht worth of cash. The gold alone weighing about 78 kilogrammes (or about 5,200 baht weight) is estimated at about 23 million baht.

Apart from the valuables and cash, police also found documents of investments, and purchases and eight land deeds. An unconfirmed report said a list of clients' names was also found in the safes.

Police earlier seized a huge amount of gold bullion and ornaments and nearly six million baht worth of cash found lying on shelves in the compartment in a wooden house behind Mrs Chamoi's main house at Air Force living quarters near Don Muang.

Commenting on the discovery, Permanent Secretary for Finance Phanat Simasathian said it should bring home to all investors the true nature of Mrs Chamoi's business.

Mr Phanat, who leads the committee to enforce the anti-chit fund law, said he is awaiting a full report from the CSD on the total estimate of the fortune. If it is not enough to cover the clients' lost investment, the committee would proceed to file a bankruptcy charge against Mrs Chamoi to recover as much investment as possible for clients.

A Finance Ministry legal expert said the fortune seized from Mrs Chamoi's house would soon be impounded by the committee under law.



Finance Ministry and Bank of Thailand officials yesterday inspected the fortune seized from Mrs Chamoi's house at the CSD headquarters. The discovery of the chit fund operator's hidden treasure has given hope to police investigators that more may be found.

Police are now focussing their attention on a water pond inside her compound where police suspect Mrs Chamoi kept more treasure. They said about a month before her disappearance earlier this year, Mrs Chamoi ordered a pavilion in the pond demolished and pumped out the water. The water was later pumped into the pond again. A fire truck was despatched to Mrs Chamoi's house to pump out the water before another round of searching. Over 100 clients and neighbours flocked to the front of the house.

Meanwhile Thitima Sattayatham, a resident of Pak Kret in Nonthaburi, yesterday called on CSD Commander Maj-Gen Bunchu Wangkanon at the CSD headquarters to inform him of the location of another of Mrs Chamoi's houses in Nonthaburi, where she claimed Mrs Chamoi and her relatives had frequented. She suspected Mrs Chamoi kept some of her valuables and cash at the house.

Although the total worth of valuables and cash seized from Mrs Chamoi's house is small compared to the total amount she allegedly owes her clients, a large number of anxious investors yesterday flocked to the CSD headquarters to hear the latest news with raised hopes of getting at least part of their investment back.

So far, a total of 14,166 persons have filed complaints with the CSD claiming they had invested 4,071 million baht in Mrs Chamoi's money game.

After the safes were opened, CSD police led by Maj-Gen Boonchu yesterday called a press conference to show jewelry, gold bullion and ornaments and cash seized from Mrs Chamoi's house.

A CSD source disclosed that police had learnt that vehicles with Lopburi license plates had been at the house a few days before the search. He said one of Mrs Chamoi's relatives was about to transfer the cash and valuables in the house to a new location.

CSO: 4200/1273

THAILAND

HIGHLIGHTS OF SIXTH 5-YEAR DEVELOPMENT PLAN

BK290321 Bangkok BANGKOK POST in English 26 Jul 85 pp 19-20

[Article by "Our Business Staff"]

[Text] A draft of the country's most crucial plan, the Sixth National Development Plan, has been completed. The plan lays emphasis on the continuation of a stabilised economic growth rate of not less than 5 percent per annum over the next 5 years, amid an internal constraint of an anticipated higher labour force, and an external constraint of growing protectionism.

The plan, which will be put forward by the National Economic and Social Development Board (NESDB) for Cabinet approval early next week, has been studied by Cabinet members, some of whom have expressed the view that "there is not much progress" in addition to the Fifth Plan, and that the "public were likely to suffer more" during the Sixth Plan.

In addition to the "quality growth" of 5 percent per annum against 6.5 percent targetted for the Fifth Plan, the plan aims to reduce and limit the country's external debt ratio to within 9 percent of export earnings. It also aims to reduce the country's dependence on imported oil from the current 50 percent to 35 percent. It will also liberalise local retail oil prices; adjust prices of goods and services of state enterprises which will also be taxed; adopt new marketing concepts and market-oriented production, to replace production-oriented marketing.

The above highlights were contained in a 36-page report, submitted in a sealed envelope to Cabinet members on Wednesday by NESDB Secretary-General Dr Sa-no Unakun; a copy of the report was obtained by the BUSINESS POST yesterday.

Prime Minister Gen Prem Tinsulanon, who will chair the upcoming meeting, has requested every Cabinet member to be present.

Describing the Sixth Plan as containing "nothing new for progressive development," a source who spent Wednesday night going through the report, said it was merely aimed at "cushioning the present economic situation from further deterioration."

The report is divided into nine major sectors, including policies on financial, fiscal, agricultural, city development, state firms, natural resources utilisation, etc.

According to the source, the NESDB report admitted in the earlier part, of "failures" in the current Fifth Plan--which has now entered its fourth year--particularly the lower-than-projected overall growth rate: 2.9 percent growth in agricultural production against a projection of 4.5 percent; and a 6.1 percent increase in industrial development compared to an expected 7.5 percent.

However, some fruitful results were seen in the energy sector which has enabled the country to reduce imports of crude and finished oil by 7,807 million litres a year, equivalent to 10,600 million baht a year.

Another major problem cited by the source is the sharp increase in unemployment because there are about one million people entering the labour market looking for jobs.

With the slowdown in job creation by the government sector as well as the unfavourable situation faced by the private sector, the unemployment problem is expected to carry on in the future, the source said.

The following are major highlights of certain sectors included in the 5-year Sixth Plan report, to be implemented in October 1986:

--Energy: The Sixth Plan envisages an increased use of lignite which is locally abundant, as substitution for other energy resources. An extensive survey on energy deposits will be conducted nationwide for utilisation to solve the country's economic problem, particularly regards dependence on imported oil.

The plan also calls for reduction of the country's imported oil consumption from 50 percent at present, to 35 percent within the next 5 years.

On local oil production, domestic consumption would be adjusted to suit circumstances by modifying the pricing structure to prevent excessive import of oil which could widen the trade deficit.

Another important policy included in the plan is to "float" local retail oil prices; that is, the government will no longer be involved in setting local oil prices, so as to refrain from paying subsidies to the refineries.

--Monetary and fiscal policies: Under the Sixth Plan, more efforts will be made to further reduce the country's trade and payment deficits, while the government itself will limit its external debt to no more than 9 percent of export earnings.

Emphasis will be placed on financing budget deficits by mobilising funds from sources which will not create inflationary pressure--mainly from the private sector and the Government Savings Bank.

Local interest rates on loans and deposits would be adjusted accordingly with the world market rates.

--Production and marketing: The country will adopt a new production and marketing policy by changing its motto from production--oriented market to market-oriented production; that is, the country will produce what is required by the market, instead of selling what it produces.

For this, an overall "overhaul" in quality of Thai products is required to match world market demand, while local industries will be urged to use as much domestic raw materials as possible.

Output of agricultural produce will be increased in compliance with local and overseas demand, with the aim to increase farmers' incomes.

--Development of city and specific areas: The report suggests the setting up of a new economic zone in the eastern area to be administered by a special organisation.

Also, areas along the Gulf coast from the eastern province to the upper south region should be declared an export economic zone, with Bangkok serving as the centre.

--Development of state enterprises: All state firms should strive to reduce their production costs, while all products and services, produced and rendered, by them should be adjusted to enable them to survive on their own.

The government will no longer provide loan guarantees to state firms, with the exception of certain cases considered really important.

The government will try to refrain from monopolising the state firms' operations, while at the same time will sell out those having problems.

According to the source, the Sixth Plan envisages a "turning point" around the end of the plan, that is, during 1990-91, when the situation is expected to improve.

He said, however, that the general public--mainly those in the middle income bracket and downwards--is likely to suffer most from the Sixth Plan, citing for example, the price adjustment of goods and services by state firms, the change in the oil pricing system, etc.

Cabinet members were expected to discuss the report extensively because many were unclear about, or dissatisfied with, the plan, the source said. All the same, it is likely that the Cabinet will approve the draft plan, after which the NESDB would have to prepare the master plan and complete it by early next year, the source said.

CSO: 4200/1273

THAILAND

DAILY SUMMARIZES ECONOMIC 5-YEAR PLAN

BK290324 Bangkok BANGKOK POST in English 26 Jul 85 p 20

[Text] The country's most crucial economic and social development plan, which puts emphasis on the continuation of a stabilised economic growth rate of 5 percent during the 5 years from October 1986 to September 1991, has just been completed. The following is the essence of a 36-page summary report of the sixth Five-Year National Economic and Social Development Plan, submitted by Dr Sano Unakun.

--How the plan was prepared:

The National Economic and Social Development Board, jointly with officials concerned, worked out a Direction of the Sixth Plan as a preparation for the full sixth plan.

The Direction was approved on 15 April 1985, by the NESDB and was later submitted for approval from the Council of Economic Ministers. The Council, on 13 May this year, approved the Direction and agreed to propose it to the Cabinet.

The Direction of the Sixth Plan proposed to the Cabinet is the first step toward a full plan, which is expected to be completed by January 1986.

Main points concentrated on in preparing the Direction were: the development in the past, the limitations the country is facing, and the trend of this in the future.

--General development:

The development in the past, in general, concentrated on resolving the country's trade deficit, current account deficit, and the fiscal problems, as to stabilise the country's economic and monetary system, as well as to prevent the country from being severely affected by the world-wide economic crisis which has lasted a long time.

In doing that, the deficit in the current account was reduced from 56,049 million baht in 1981 to about 40,000 million baht in 1985, while the expansion of the country's general economy increased by 5.3 percent per annum on average, the rate is almost double the worldwide growth rate.

The main developments included improvement of rural areas which saw the number of poor districts and sub-districts, in the first 3 years of the Fifth Plan, decreased from 286 to 197, a 31 percent reduction.

The development of new economic areas saw favourable progress, such as the development of the Eastern Seaboard.

--The structuring of the economy:

The growth rate in the agricultural sector in the past was 2.9 percent per annum, lower than the target of 4.5 percent per year. This was because of the drought in the first year of the Fifth Plan and the slump in prices of agricultural goods.

The growth rate of the industrial sector in the first 3 years of the Fifth Plan equalled 6.1 percent per annum, lower than the target of 7.5 percent per year; this was due to the worldwide economic recession. However, the industrial sector has still increased its importance in the economic system. This can be seen from the proportion of industrial products in the GDP increased from 20.3 percent a year in 1977 to 21 percent in 1983.

The development of the energy sector of the country was able to achieve the target by decreasing oil imports in the first 3 years of the Fifth Plan by 7,807.93 million litres of crude oil, a savings of about 10,600 million baht a year.

The expansion of telecommunications service, especially the local telephone system, was too low. The slow development in this sector became one of important obstacles to the general development of the country.

--Social Development:

The expansion and distribution of social services was very successful, especially the expansion of district hospitals, covering 83 percent of the total districts. The expansion of health stations could cover all tambons, as well as the establishment of primary schools in all tambons, providing education to 96 percent of children of primary school age. The expansion of education in the higher levels also increased.

However, the provision of social services still faced problems of quality and cost of services. At the same time, unemployment of well-educated persons increased in the last years of the plan, bringing the number up from 59,300 persons in 1981 to 84,200 in the following year.

--The System of Development Management:

Cooperation concerning development between private and government sectors began to be systematic and the government was extremely interested in reforming the management systems of operations of state enterprises, aiming at improving them.

The cooperation of four major ministries--Agriculture, Interior, Education and Public Health--could provide the development covering all rural areas of the country.

--Limitations the country is facing and uncertainty in the future:

The uncertainty and fluctuation of the global economy, including competition and protectionism in the world market, is expected to increase in the future.

Prices of primary products in the world market will tend to be lower and is expected to decline further. The uncertainty of oil prices will remain.

The disciplines and restrictions in the fiscal policy, to stabilise the country's fiscal position, must remain.

About one million new labourers are expected to enter the labour market each year while employment in the public sectors has declined. Employment in the agricultural sector has limitations and in the nonagricultural sector, it will increase very slowly.

The expansion of Bangkok and other big cities will tend to increase in crowdedness, which will have both an economic as well as social effect on the country. If there is no systematic city development plan, severe shortages of public utilities are expected.

The deterioration of natural resources and environment will be drastically increased.

The government's limited management ability and fiscal position will be the important limitation to the government's role in developing the country in several sectors. This needs a revision and a selection of the proper practical option.

--What the direction of the Sixth Plan should be:

The past development and the limitations cited, jointly with the consideration of the opportunity and possibility in developing the country in the future, indicate that the directions of the Sixth Plan must comprise a target, three guidelines and nine main plans.

The target: The general economic growth must be more than 5 percent a year on average, by emphasising expansion which will support job creation, income distribution, and the stabilising of the economic equilibrium, so that they will have consistent progress.

Three guidelines: The first one is to develop major economic and social sectors following the Fifth Plan. At the same time, new opportunities must be created to make the economic progress benefit the public as widely as possible. However, the limits and stability of the fiscal and monetary systems must be the top priority.

The second guideline is to increase efficiency, qualities of production, marketing and technology, to enable Thailand to be competitive with other countries.

The third one is to restructure the development management of the government so as to be suitable to the limits of its ability and fiscal position, by sharing the burden in developing the country between the government, state enterprises and private sectors, under the principle of systematic cooperation.

--Development Plan for the stability of the economic and financial system:

This plan is aimed at supporting the country's economy to sustain targeted growth under constraints on human and natural resources of the country. The plan has two parts:

--Implement restrictive fiscal and monetary policies by controlling budget deficits to within a sustainable level and to try and finance the deficit by borrowing only from sources which would not generate inflation; improving government debt management; limiting the government external debt service ratio to within 9 percent of export earnings; and controlling defence spending to a manageable level.

--Implement effective fiscal and monetary policies by reforming and simplifying tax structure and expanding tax base so as to increase tax collection and create better income distribution.

The effectiveness will have to be increased by taxing state enterprises and Bol-promoted firms which normally get tax exemption, so as to promote fair competition and achieve better resources allocation and by setting up a proper accounting system for local administration and state enterprises.

The development of a capital market and other intermediaries to mobilise domestic savings on a long-term basis will have to be made along with the reform of interest rate structure and the reduction of tax rate to promote investment. The improvement of financial system will also have to be made to encourage project loan financing and the country's exports.

--National resources and environmental development plan:

This plan is aimed at promoting effective utilisation and allocation of natural resources including land, water, forests and minerals. It is divided into three parts as follows:

--Follow-up of the Fifth Plan by expediting issuance of land title deeds to farmers so as to prevent them from deafforestation, by classifying water resources nationwide and by extensively surveying mineral resources and setting up a data centre thereof.



--Improve natural resources production and utilisation efficiency by setting up a master plan for land use, setting up a policy and plan to use lignite and allowing the private sector to do a joint venture with the government in lignite mining and commercialisation.

--Improve natural resources and environmental development administration system by reforming law and regulations regarding land, forestry, mineral resources.

It also suggests that Petroleum Act with respect to survey and development of petroleum should be revised and improved as follows:

- (a) Allow the government and the private sector to invest in projects to survey, develop and produce natural gas.
- (b) Increase conditions on production when a firm is awarded rights to produce petroleum.
- (c) Reduce survey period from 12 years and production period from 40 years.
- (d) Information on geological survey should be made public.

--Rural Development Plan:

This plan aimed at supporting general economic development so that the country achieves better economic growth, better income distribution, better social welfare and better livelihood of rural people. It is divided into three parts:

--Attempts are to be made to continue solving rural problems which remain after the Fifth Plan, and in addition to that the government will also have to develop areas along the border so as to increase security for people in such areas.

--Improve the efficiency of the government in solving rural development problems.

--Improve the rural development mechanism so as to get better cooperation from parties concerned.

--Plan for developing Bangkok and specific areas:

This plan is aimed at developing the capital and other cities including "new economic zones" to be centres and bases of new industries in the various regions so that it will be able to absorb the distribution of economic activities from the centre. This plan will get along with the plan in developing Bangkok Metropolis and outskirt provinces to grow systematically and decrease crowdedness.

--Follow-up of the Fifth Plan includes:

--Developing the Eastern Seaboard to be a new economic zone of the country.

--Laying down of bases and setting guidelines for projects for the development of the Weeping Plain (Thung Kula Rong Hai), the Songkhla Lake area, and the Upper South.

--Following-up on plans to develop main towns in the Fifth Plan.

--Improving and expanding public health and utility systems in Bangkok and its outskirts to be the "same system" with the future city planning and land utility planning, especially the waste water system, flood-protection plan, to be permanent plans; developing the transportation and traffic system in Bangkok.

--Improving efficiency of the management of city development projects and new economic zones:

This involves improving--by setting up new organisations if necessary--the management of the public services and utilities in Bangkok and main towns, to enable them sufficient independency and flexibility, and forming a special organisation for the management of the Eastern Seaboard development projects.

Also, it means developing new economic zones along the Eastern Seaboard and the Upper South to make them as exits to international trade with other countries.

--Sharing responsibilities and achieving unity in developing the country:

This involves sharing the burdens in providing public services and utilities in urban areas and central areas; decreasing subsidies from the central area by urging the local areas to have their own incomes for self dependence as well as sufficient income for future expansion; improving local fiscal positions and encouraging the private sector to join investment to develop fundamental services.

--Plan for labour and social development and job creation:

This is aimed at social and labour development and creating jobs in the same process as the development of economy, as well as to support the target of efficiently developing the country in general. This plan includes following up on actions undertaken during the Fifth Plan:

--Decreasing population growth rate by using more measures apart from community planning, emphasising permanent and semi-permanent community planning, and emphasising target groups, of which rates of community plans were still low, especially in the northeastern and the southern regions, including crowded communities in cities.

--Improving social servicing to be in line with plans regarding improvement of rural areas to be towns, by encouraging local private sector to have a role in such servicing.

--Developing human quality by stressing expansion of fundamental public health from rural areas into towns, improving quality of public health services, prevention of dangers from the environment and working conditions in both the industrial and agricultural sectors, improving education and training to serve demand in the labour market.

--Encouraging more job creation by speeding the development of agriculture, small industries, household industries and service businesses.

--Improving efficiency and quality of operation in social and labour development and job creation:

Reviewing the pricing policy of social services, including public health and education, especially since education fees at the university level were still too low, and will have to be adjusted to cover cost.

--Slowing down production of labourers in fields having high unemployment rates, and expanding the production into fields which need labour, and to be in line with the development policy of the country.

--Setting up a structure and coordinating mechanism between educational institutes, training labourers and executives, and encouraging more cooperation between educational institutes, training institutes of the government and private sectors.

--Developing the data collecting system, labour market and encouraging more utilisation of information for the benefit of education.

--Encouraging more self-job creations by launching campaigns to make these a better image to profession.

--Encouraging and searching labour markets abroad by giving priority to ASEAN countries.

--Setting up a mechanism for social and labour development and job creation with the cooperation of all parties concerned, with emphasis on self-dependency. This means:

--Adjusting the government's role in providing social services by considering the country's monetary limits.

--Encouraging the private sector to get more involved in providing more social services by supporting more investments with attractive pricing policy.

--Encouraging the organising of private sectors for cooperation with the government.

--Setting up systems for communities having roles in developing the social especially in the crowded communities, this will be done by encouraging the establishment of self-organised bodies instead of appointed bodies.

--Promoting family institutions as the main institutions in preventing social problems.

--Development plan for production, marketing and technology:

This is aimed at enabling the country's production, marketing and technology to be in compliance with the change in the world marketing and economic situation. The plan is divided into three major parts as follows:

--Continuing the policy implementation from the Fifth Plan, particularly in certain areas. This includes structural changes in agricultural production, development of export-oriented industries using local raw materials, development of small and rural industries.

Also included are development and expansion of role of services which will directly and indirectly increase foreign currency earnings, as well as creating employment. Apart from tourism development, those services which should be given emphasis include construction, transportation, insurance and financial services.

In addition, the country's export should be accelerated by modifying the concept from "selling what is produced" to "produce for selling."

--Increase efficiency and quality in production and marketing to effectively compete with other countries. This could be done by improving the production quality, increasing the utilisation of existing natural resources and those to be developed, provide infrastructure, particularly communications and telecommunications, supporting production and marketing, develop agricultural and industrial technology.

--Cooperation from all parties to develop production, marketing and technology system.

This could be done by developing cooperation with the private sector in development of agriculture in both advanced and backward areas; setting up an organisation to cooperate in the plan for export project; giving emphasis on developing financial institution system by studying the possibility of setting up an organisation for use in expanding exports; develop collaboration system and mechanism between the public and private sectors in developing science and technology, including the transfer of technology by foreign countries; and developing a cooperation system between the countries in several fields, including investment, marketing and export.

--Infrastructure development plan:

This plan is aimed to enable development of economic infrastructural network, especially communication and transportation, energy and basic

public utilities, to have a role in supporting the overall development programme. The essence of the plan includes:

--Following up the 5th national plan by emphasising on maintenance and full utilisation of existing infrastructure and giving special attention to the "gap" in main communication network; by expanding infrastructure in urban areas to cope with urban growth and regulated land utilisation; by stressing the development of communication projects, which are still lacking, such as telephone service.

--Adjusting the energy structure by reducing petrol consumption to 35 percent and increasing the use of natural gas as substitute to petrol.

--Improving the efficiency and quality of infrastructure management by increasing service fees so that the enterprises providing the services can be self-sufficient. The state will give subsidies only for services in rural areas and moreover, the service rates are not necessary to be uniform nationwide, but should be more realistic, depending on production costs in each respective area.

Improvement of efficiency can also be done by making the retail prices of petroleum products more flexible. The role of the oil fund and the possibility of lifting retail price control on petroleum products should also be considered under the Sixth Plan along with contemplating the setting of gas price at the wellhead to shorten negotiation process.

--Streamlining organisations managing the economic infrastructure by:

(i) Overhauling internal administration of the organisations to make them more flexible.

(ii) The state needs not monopolise the provision of infrastructure. Joint venture with the private sector and increasing the private sector's role in this field should be encouraged.

(iii) Adjusting the role of the state and the Petroleum Authority of Thailand in the areas of energy exploration and production, transportation, refining and joint investment in energy and petrol chemical project by taking into account the country's financial constraint and the flexibility of the private sector. Law governing joint venture should also be modified.

--State enterprises development plan:

This plan is aimed at increasing the efficiency of state enterprises by making them more competitive and capable of self-sufficiency in order to lessen the government's burden of subsidising them. This plan places emphasis on:

(i) Strict enforcement of austerity measure and cutback in production cost to make the enterprises more self-sufficient and less dependent on state subsidies.

- (ii) Privatising unsuccessful and loss-ridden state enterprises.
- (iii) Retaining the government's role, partially or wholly, in state enterprises which deal in social welfare.
- (iv) Adjusting the prices or service fees of public utilities provided by some state enterprises.
- (v) Overseeing and controlling state enterprises by a central organisation.

--Improving the efficiency of state enterprises by:

- (i) Increasing functional and income-making efficiency, especially enterprises which are of monopolistic nature.
- (ii) Revising investment plan of each enterprise to place its capital fund and debt in proportion level.
- (iii) Reducing or withdrawing the guarantee given to state enterprises for investment projects which do not promise a high return.

--Strengthening the administration of state enterprises by:

- (i) Curtailing the role of state enterprises in industrial sector which can be undertaken more efficiently by the private sector by inviting partial privatisation or leasing out to private sector.
- (ii) State enterprises may partake in joint venture in new primary industrial projects in the initial stage.
- (iii) State enterprises should be kept under close watch by their controlling ministries or the central controlling organisation.

--Plan for administrative reform and review of the government's role in national development:

This plan is aimed at ensuring a smooth implementation and fulfillment of the objectives of the eight afore-mentioned plans.

--The plan calls for the continuation of the implementation of the Fifth Plan in the following areas:

- (i) Supporting the coordinating mechanism of the central agency in the planning of expenditure and manpower allocation and income distribution to be relevant with one another.
- (ii) Supporting the work of the joint Public-Private Sector Consultative Committee and expanding the work into the provincial areas.

(iii) Supporting administrative system in accordance with rural development plan.

(iv) Supporting administrative system in accordance with the Eastern Seaboard Project.

--Improving the efficiency of the administration to the effect that it is capable of translating policy into practice.

--Revising the government's role in mobilising resources for development by reducing pricing and economic disparity, equitable separation of the burden of national development among the government, state enterprises and private sector.

CSO: 4200/1273

JPRS-SEA-85-127  
19 August 1985

THAILAND

OFFICIAL DENIES CHAMOI MONEY TO GO TO TAXES

BK270423 Bangkok BANGKOK POST in English 27 Jul 85 p 20

[Text] Deputy Finance Minister Amnuai Yotsuk yesterday denied press reports that the government would confiscate over 50 million baht worth of valuables seized from Chamoi Thipso's house, to pay for her overdue business taxes owed to the Revenue Department.

He said that the confiscation was made under Article 8 of the Anti-Chit Fund Act rather than under the Tax Code. This means that the Revenue Department is entitled to the valuables and cash only as much as thousands of former clients to whom Mrs Chamoi owes money.

He added that the fortune should be divided among those who filed complaints against Mrs Chamoi with the police.

Mr Amnuai, an MP from Chiang Mai, said in Parliament that he had received several calls from concerned clients, who are worried that there would be nothing left for them to recover if the Revenue Department takes its due first.

So far, more than 14,000 people have filed complaints with the Crime Suppression Division, claiming a total of about 4,400 million baht.

He suggested that Mrs Chamoi's clients file bankruptcy charges against her to at least partially recover their investments.

CSO: 4200/1273



19 August 1985

## THAILAND

## FOREIGN MINISTRY ON MALAYSIAN BORDER FENCE PLAN

BK240520 Bangkok THE NATION in English 24 Jul 85 p 2

[Text] Malaysia plans to build a barricade--concrete walls in some areas and barbed-wire fences in others--along the 600-kilometre (375-mile) Thai-Malaysian border, Deputy Prime Minister and Home Minister Musa Hitam told Parliament yesterday. The wall is mainly to keep out communist guerrillas from southern Thailand and to prevent the smuggling of drugs, firearms and other items from Thailand into Malaysia.

The first phase of the concrete wall, to be constructed as soon as the tender board selects the builder, is to stretch 25 kms (15 miles) across northwestern Malaysia and will cost 43 million ringgits (\$17.47 million), Musa said.

The country's long-term plan is to build a concrete wall or barbed-wire fence along the entire border, he said without mentioning a timetable. The barricade would be about 4.5 metres (15 feet) inside Malaysia.

Musa called the project a "positive move accepted by both countries" and said Malaysia and Thailand have reached complete understanding on the wall. Malaysian security patrols and special forces will be stationed along the wall, he said.

Other officials said the northwest link would be a concrete wall about 4.57-metres (15-feet) high in Perak State near Kroh.

They said a barbed-wire fence about 56-kms (35-miles) long in Kedah state was completed last year. Smugglers have cut through the barbed-wire fence and so it was decided that the barricade in Kroh would be concrete.

Informed sources in Bangkok told THE NATION that the Thai Foreign Ministry, upon learning of the Malaysian plan, has put forward a suggestion that the governments of the two countries explain to their people the reason behind it.

The proposal was submitted to the Thai-Malaysian General Border Committee chaired by Interior Minister Gen Sitthi Chirarot, recommending that the subject be taken up within the framework of the Regional Border Committee.

CSO: 4200/1273

THAILAND

POLICE SEIZE GOLD BARS, CASH FROM CHAMOI'S HOUSE

BK240204 Bangkok THE NATION in English 24 Jul 85 p 1

[Excerpt] A team of policemen from the Crime Suppression Division (CSD) yesterday seized gold bars and over 5.6 million baht in cash found during a search at Mrs Chamoi Thipso's residence in Don Muang, CSD Commander Pol Maj Gen Bunchu Wangkanon said. He said two money safes, believed to contain more cash and valuables, were also taken from Chamoi's house to the CSD headquarters for investigation.

The seizure of the gold bars and the cash came as a new twist to the month-long investigation into the chit fund business operated by Chamoi, and Bunchu said she will face a new round of questioning because of the new discovery.

"This shows that Chamoi has given false statements to police investigators," he told reporters during an interview at Chamoi's residence at the Air Force housing estate.

Fifteen policemen were assigned to conduct the search which began at 3 pm. The policemen spent about 2 hours before they found the clue to the places where the valuables were hidden. The gold bars and gold ornaments as well as the two money safes were found in a secret compartment adjacent to Chamoi's bedroom. The lock to the door of the compartment was concealed behind a calendar, according to Bunchu. He said the outside of the secret compartment was newly painted in white. He said it was suspected that the compartment had just recently been built.

The policemen found 57 bundles of gold bars, consisting of three to four bars each, on tops of the two money safes. The gold ornaments included necklaces, bracelets and gold-rimmed Buddha images. Their value was not immediately known.

Reporters and TV cameramen were shown the inside of the compartment which is about 3 metres deep and 80 centimetres wide.

Bunchu also showed them samples of the gold bars which were around 4 inches long each.

One of the money safes is about 3 feet high and 2 feet wide while the other is 1.50 feet high and 1 foot wide. The two safes were brought to the CSD headquarters where they will be opened today for investigation.

Bunchu said a press conference will be held to report on the result of the investigation. The two safes were locked up in a cell where Chamoi was once detained after her arrest.

The policemen also found cash totalling 5,694,500 baht in a room where Chamoi kept her Buddha images for worshipping as they continued their search at 8:30 pm. The money was mostly in 500-baht notes.

Chamoi's younger brother, Warrant Officer Supphawat Prasetsri, and younger sister, Mrs Watthana Chaiyasuk, were also present as witnesses during the search. The two were earlier arrested in connection with Chamoi's chit fund pool.

CSO: 4200/1273

THAILAND

THAILAND'S F-16'S TO BE DEPLOYED IN BANGKOK

BK280338 Bangkok THE NATION in English 28 Jul 85 p 3

[Text] The sophisticated F-16 jetfighters that the Royal Thai Air Force (RTAF) has ordered from the United States will be deployed in Bangkok, Nakhon Ratchasima and Udon Thani, informed sources told THE NATION over the weekend.

The RTAF also plans to purchase three sets of steel barricade equipment specially designed to protect the expensive aircraft from possible sabotage by both internal and international terrorists, according to the sources. The steel barricade costing about 10 million baht a set will be installed on the runways of the three air bases, the sources added.

The three air bases where the 12 F-16s will be stationed are the headquarters of the Sixth Air Wing at Don Muang, the First Air Wing in Nakhon Ratchasima and the 23rd Air Wing in Duon Thani, the sources said.

The sources said that the RTAF planned to procure the three sets of protective equipment before the first delivery of the highly-advanced jetfighters.

"We need a reliable security system for the highly-advanced jetfighters because the aircraft are very expensive," one source said. The sources said that the security system would be established as soon as possible because it was possible that the United States might have to deliver the aircraft ahead of schedule in case of an emergency.

The first four F-16s will be delivered in 3 years while the remaining eight will be delivered after a 5-year period of installment payments, according to the schedule.

The sources said that early preparations for the installment of the protective equipment would also give the RTAF time to purchase the barricades at the most reasonable price. The RTAF has set up a committee to procure the equipment and is expected to sign a contract for the acquisition of the runway gear very soon, according to the sources. The runway barricade is about 5 metres high and has sophisticated electronic equipment. Most airports where sophisticated warplanes are stationed are usually equipped with runway barricades.

The F-16s will cost the RTAF about 8,900 million baht, paid in installments over a 5-year period.

CSO: 4200/1273

THAILAND

BRIEFS

DIPLOMATIC RELATIONS WITH HONDURAS--The Cabinet approved the Foreign Ministry's recommendation that Thailand establishes diplomatic relations with Honduras. The Foreign Ministry reasoned that countries in Central America are becoming important and have an increasing role in the international circle. On top of that, Honduras has voted in support of the Coalition Government of Democratic Kampuchea in the United Nations, said the Foreign Ministry. [Text] [Bangkok BANGKOK POST in English 24 Jul 85 p 3]

CSO: 4200/1273

MILITARY AFFAIRS & PUBLIC SECURITY

MINISTRY MARKS 40TH SECURITY FORCES ANNIVERSARY

BK240727 Hanoi QUAN DOI NHAN DAN in Vietnamese 11 Jun 85 p 4

[Text] In commemorating the coming 40th anniversary of the Vietnamese people's public security forces, on 10 June the Ministry of Interior held a press conference under the direction of Tran Guyet, member of the CPV Central Committee, vice minister of Interior, and head of the organizing committee for the anniversary.

Attending the conference were Dao Tung, director general of VNA and vice chairman and secretary general of the Vietnam journalist's association; Phan Quang, head of the press section of the party Central Committee Propaganda and Training Department; and a large number of representatives from news agencies, newspapers, Ministry of Culture, and the Broadcasting Department of the Post and Telegraph General Department. Also attending this conference were leading cadres of general departments, departments, and agencies attached to the Ministry of Interior.

Major General Ha Ngoc Tien, deputy director of the people's police department and deputy head of the anniversary organizing committee, outlined various programs to commemorate the 40th anniversary of the people's public security forces.

Comrade Le Quang Thanh, rector of the public security science institute, delivered a general report entitled: "The Vietnam Public Security Forces' 40 Years of Struggle To Become Mature." The report stressed the people's public security forces' tradition of loyalty to the party and state; its resourcefulness and bravery in struggling against the enemy; and its achievements in protecting the party, the administration, and the national revolutionary cause in various stages since the establishment of the nation.

At the press conference, Comrade Tran Quyot, on behalf of the Interior Ministry, pointed out concrete requirements in providing a better understanding for the party, the armed forces, and people regarding the people's public security forces' tasks in the cause of defending the fatherland and maintaining social order and safety at all times, thereby enhancing the vigilance against the enemy's wicked scheme of carrying out their multifaceted war of sabotage, mobilizing the masses to participate in maintaining political security and social order and in helping the people's public security forces fulfill their task of firmly defending the socialist Vietnamese fatherland.

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN ON CLARK AMENDMENT, U.S. ANGOLA POLICY

OW240851 Hanoi VNA in English 0658 GMT 24 Jul 85

[Text] Hanoi, 24 Jul (VNA)--The scrapping of the "Clark Amendment" by the United States shows that the Reagan administration still persists in its hostile policy towards Angola and in new adventures which violate the independence and sovereignty of the People's Republic of Angola, says NHAN DAN in a commentary today. The Vietnamese national daily says:

"This action, along with the U.S. cutting of aid to Mozambique, proves that the U.S. imperialists are putting pressure on Angola and Mozambique in an attempt to keep them in their orbit. Washington seeks to smother the revolutionary flame and the seething struggle for liberation and against imperialism and colonialism in southern Africa.

"The United States' opposition to Angola is a new evidence of the Reagan administration's extremely dangerous policy of using reactionary forces everywhere to subvert sovereign states. Clearly the Reagan administration is intensifying state terrorism, considering it a national policy."

The paper says that the United States' intervention in Angola, secretly or openly, cannot avoid failure. "U.S. weapons and dollars cannot prevent the advance of the People's Republic of Angola on the road of independence, progress and socialism," NHAN DAN concludes.

CSO: 4200/1277

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN ARTICLE PRAISES CUBAN REVOLUTION

OW260817 Hanoi VNA in English 0711 GMT 26 Jul 85

[Text] Hanoi, 26 Jul (VNA)--In a frontpaged article commemorating the 32nd anniversary of the Cuban National Rebellion Day, NHAN DAN today exalts the outstanding achievements obtained by the Cuban people in socialist construction and national defence under the leadership of the Communist Party of Cuba headed by President Fidel Castro.

The paper notes that while the economies of many Latin American countries are plagued by crises, the economy of socialist Cuba is developing steadily with a 7.4 percent increase recorded in 1984, the highest rate of development in the region.

Cuba, the paper further notes, is fruitfully cooperating with the other countries in the Council for Mutual Economic Assistance in Industrial and Agricultural Development. Since the triumph of the Cuban revolution, the production of electricity has increased by six-fold, totalling 2.4 billion kilowatts a year. Each year, Cuba is producing nearly 2 million tons of steel, 5 million tons of cement and more than 4.5 million tons of fertilizers. Oil production is also developing, now totalling 770 thousand tons a year, and is expected to reach 2 million tons by 1990.

The paper goes on: "At present, Cuba ranks among the developed countries in many areas of education and public health care. It is planned that by the end of 1985, the real income-per-capita in Cuba will have increased by from 15 to 20 percent over 1980. Cuba also plans to build 35,000 new housing units, increase by 6 percent the number of hospital beds and 10 percent the number of medical doctors."

NHAN DAN further says: "Today, Cuba is a firm outpost of socialism on the western hemisphere, drawing its strength from the spirit of Moncada, the centuries-old tradition of undaunted struggle against imperialism combined with the strength of the epoch and the spirit of offensive revolution. Its strength also originates from the harmonious combination of genuine patriotism with noble proletarian internationalism, which has prompted Cuban freedom-fighters to go wherever they are needed, not hesitating even to shed blood for their brothers and friends in all continents."



"The example of the Cuban revolution in Latin America and the world as a whole is and will remain a source of inspiration to all nations. The people of other Latin American countries are standing firmly beside the Cuban people on the battlefront against aggression and exploitation by U.S. imperialism. The experience drawn from the Cuban revolution remains a precious asset for all nations who are struggling for independence, freedom and social progress," the paper concludes.

CSO: 4200/1277

INTERNATIONAL RELATIONS, TRADE AND AID

TRANSPORT UNION HONORED FOR WORK TO HELP LAOS

OW241930 Hanoi VNA in English 1505 GMT 24 Jul 85

[Text] Hanoi VNA 24 July -- High distinctions of Vietnam and Laos have been awarded to the Vietnamese Union of Communications Enterprises no 8, which was assigned to help Laos build communications lines.

The conferment ceremony held here yesterday on the occasion of the union's 20th anniversary was attended by Dong Si Nguyen, alternate member of the political bureau of the communist party of Vietnam central committee, vice-chairman of the council of ministers and minister for transport and communications; Dang Thi, member of the party CC and president of the commission for economic and cultural cooperation with Laos and Kampuchea; Phao Bounaphon, member of the Lao people's revolutionary party central committee and minister of transport and post; Khamfeune Tounalom, Laos ambassador to Vietnam; and others.

Le Ngoc Hoan, director general of the union, highlighted its achievements over the past 20 years. During the anti-U.S. struggle, it helped Laos ensure constant traffic on 600 kilometres of road; since 1975, it has built 462 kms of road, and 35 bridges, made surveys on and design for nearly 3,000 kms of road and water way, built a car-repair factory, a calcium carbide workshop, a concrete mixing establishment and trained technical cadres for Laos.

Vice-chairman Dong Si Nguyen, on behalf of the Vietnamese party and state, conferred the Independence Order, Third Class, on the union. Also on this occasion, the Exploit Order, Third Class, and the Labour Order, Third Class, were awarded respectively to the union and its youth organization.

Minister Phao Bounaphon, on behalf of the Lao party and state, presented the union with the Itsala (freedom) Order, First Class, and an embroidered banner. 119 units and individuals of the union were also awarded "Itsala" and "Friendship" orders or medals.

Speaking on the occasion, the Lao minister highly appreciated the Vietnamese people's effective assistance to and great sacrifice for the Lao people's revolutionary cause.

CSO: 4200/1266

INTERNATIONAL RELATIONS, TRADE AND AID

BANGKOK PAPERS CRITICIZE THAI TRADE POLICY

OW240855 Hanoi VNA in English 0725 GMT 24 Jul 85

[Text] Hanoi VNA 23 July -- Thailand's foreign trade policy should be revised and new markets found in which Thailand's neighbours such as Malaysia, Laos, Kampuchea and Vietnam must be included, said the Bangkok daily MATICHON in an article on 27 July.

Expressing the Thai business circles' opinion, the paper said this is the way out for Thailand's present economy which, according to the Thai business circles, is fast declining, especially foreign trade, due to the decline of farm produce prices on the world market and the protectionist policy of developed capitalist countries.

MATICHON said that while Thailand coordinates its political, military and economic activities with other ASEAN nations, some of these countries take advantage of Bangkok's policies to boost trade with Thailand's neighbours.

The paper called for a dissociation of Thailand's economy policy from its politics.

Another Bangkok daily, the SIAM RATH, recently said it is ridiculous for Thailand to consider the settlement of the Kampuchea issue a main task of Thailand while the living conditions of the Thai people are getting more difficult.

The paper urged the Thai business circles to trade directly with Thailand's neighbours.

CSO: 4200/1266

JPRS-SEA-85-127  
19 August 1985

INTERNATIONAL RELATIONS, TRADE AND AID

SRV DELEGATE SPEAKS AT WORLD WOMEN'S CONFERENCE

OW230835 Hanoi VNA in English 0716 GMT 23 Jul 85

[Text] Hanoi VNA 23 July -- "The women and entire people of Vietnam reiterate their full and unswerving support for the struggle of the women and people throughout the world against the arms race and the nuclear holocaust and renew their resolve to make Southeast Asia a region of peace, stability and happiness," said Mrs Nguyen Thi Binh, head of the Vietnamese delegation at the current world conference on UN Decade for Women held in Nairobi, Kenya.

Addressing the conference on 17 July, Nguyen Thi Binh brought out the important significance of the UN Decade for Women in the present international conjuncture. She condemned Washington's policy of spiralling the arms race and increasing the state of confrontation, its economic blockade against Cuba and Nicaragua, and its frenzied war against Lebanon. She condemned U.S. imperialism for intensifying its military build-ups in Asia and the Pacific to jeopardize security and independence of nations in the region.

Speaking of the Decade for Women in Vietnam, Nguyen Thi Binh briefed the audience on the considerable contributions of the Vietnamese women in the nation-wide struggle against foreign aggression in the past and in national construction and defense at present. She highlighted the close solidarity and friendship, between the Vietnamese women and the women of Laos, Kampuchea, Namibia, South Africa, Nicaragua, El Salvador, and other fraternal and friendly countries in the common struggle for women's emancipation, world peace and social progress.

On the same day, a petition was signed by representatives of 58 countries and six international organizations on the representation of Kampuchea at the world conference.

"We are of the opinion that the so-called government of democratic Kampuchea must be expelled from the UN World Conference in order to preserve the honour of this historical conference and respect for the UN charter and the convention on the prevention and punishment of genocide as well as the will of the Kampuchean people and the peace and justice-loving peoples in the world." the petition says.

CSO: 4200/1266

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI SCORES THAILAND'S 'ERRONEOUS' POLICY

BK251418 Hanoi International Service in English 1000 GMT 25 Jul 85

[Station Commentary]

[Text] In face of the fine developments in Kampuchea in particular, and in the three Indochinese countries in general, some political circles in the ASEAN countries have adopted a more realistic attitude toward regional issues. Opposite to this common trend, the Thai ruling circles still pursue the foreign policy of tailing after the imperialist and expansionist forces to create confrontation with the Indochinese countries and obstruct the joint efforts for a peaceful, stable, and cooperative Southeast Asia.

In fact, since early this year, Thailand has many times rejected Laos' proposal on the resumption of talks to solve outstanding problems concerning the relations between the two countries. Moreover, Thailand has repeatedly accused Laos of encroaching upon its territory and instigating subversive acts against Thailand. More seriously still, in the past 6 months Thailand has, on many occasions, encroached upon Laos' sovereignty and territorial integrity.

However, the LPDR has continued its goodwill and forwarded many proposals aimed at normalizing the relations between the two countries. Most recently, in a note to his Thai counterpart, Sitthi Sawetsila, Lao Foreign Minister Phoun Sipaseuth once again asked the Thai side to resume the talks to solve the pending issues concerning the relations between the two countries. But up to now, the Thai side has still maintained its negative and hostile attitude and continued to elude Laos's proposal. Thailand's attitude ran counter to the spirit of the 1979 joint Thai-Lao statement as well as the interest of peace and stability in Southeast Asia.

Over the past 6 years, the Thai authorities have pursued an unchanged hostile policy toward Kampuchea. Thailand has allowed the genocidal Pol Pot clique to use its soil as sanctuary from which they infiltrate into Kampuchea for sabotage activities. The Thai authorities have sought all means to oppose the Heng Samrin administration. They staged their plan for repatriation of Kampuchean refugees and forwarded their proposal for indirect talks between the self-styled Coalition Government of Democratic Kampuchea and Vietnam, then forced the recent ASEAN foreign ministers' conference in Kuala Lumpur to accept that proposal. All these moves are aimed at saving the criminal Pol Pot clique who are losing morale and destabilizing the situation in the PRK. Obviously, this is a short-sighted and erroneous act of the Thai authorities.

The Review DIPLOMACY published in Bangkok criticized Thailand's continued support to the three reactionary Khmer groups. The review stressed that Thailand is the only one country in Southeast Asia to stick to its policy of confrontation with the three Indochinese nations. That is why Thailand is further isolated.

Another Bangkok paper, THAT RAT, has asked the Thai authorities not to be concerned over the Kampuchean issue but concentrate on solving economic problems in the country.

Reality has proved what is the correct way: Over the past several decades, pursuing a policy of expansion and confrontation, Thailand and other reactionary forces have sustained many setbacks. They could not prevent the advance of the revolutions in Laos, Kampuchea, and Vietnam. This erroneous policy of the Thai authorities only aggravates the tense situation in the region and serves the reactionary, expansionist, and hegemonist forces. It is not in the interest of the Thai people, peace, and stability in Southeast Asia. Certainly, it will fail.

CSO: 4200/1266

INTERNATIONAL RELATIONS, TRADE AND AID

AMITY GROUPS SEND SOLIDARITY MESSAGE TO ANGOLA

OW241750 Hanoi VNA in English 1522 GMT 24 Jul 85

["U.S. Gross Intervention in Angola Condemned." -- VNA Headline]

[Text] Hanoi VNA 24 July -- The U.S. Congress's recent decision to repeal the "Clark Amendment" and allow Washington to intervene in Angola and step up its military aid to the UNITA bandits is a new U.S. dangerous act against the Angolan revolution, said the Vietnam Committee for Solidarity and Friendship with other Peoples and the Vietnam AAPSO committee. In their joint message of support addressed today to the Angolan Committee for Peace and Solidarity, the Vietnamese Friendship Organizations said:

"Coupled with its increasing military collusion with the Pretoria Administration, this news of intervention in Angola by the United States poses a serious threat to the independence and sovereignty of the People's Republic of Angola as well as to peace and stability in Southern Africa."

"Together with the progressive people in the world, the Vietnamese people energetically condemn the abovementioned U.S. act and reaffirm their consistent solidarity with the fraternal Angolan people in their national construction and defense against all schemes and acts of the reactionary forces abetted by U.S.-led imperialism."

"We firmly believe that the fraternal Angolan people, under the leadership of the People's Movement for the Liberation of Angolan Workers' Party (MPLA-Party) headed by esteemed comrade Jose Eduardo dos Santos, will certainly win still greater successes in the struggle to defend their revolutionary gains, for peace and security in the region and the world over."

CSO: 4200/1266

INTERNATIONAL RELATIONS, TRADE, AND AID

TABLE OF CONTENTS FROM FOREIGN TRADE JOURNAL

Hanoi NGOAI THUONG in Vietnamese Mar 85 back cover

[Text]

TABLE OF CONTENTS

	Page
--Investment for Export	3
Manh Tan:	
--After 20 Years Exporting Art, Handicrafts	5
Research--Exchanges of Opinions and Experience	
Nguyen Tu:	
--On the Strategic Direction of Development for Essential-Oil Plant, Essential Oil, Vegetable Gum for Export	12
Economy and the International Market for Goods	
Vu Ngoc Vinh:	
--Soviet Economy Develops Momentum of Change	19
Le Xuan Tuu:	
--Aspects of the Economy, Foreign Trade of Democratic Republic of Laos	24
Foreign Trade Activities	
Vu Thi Sinh	
--Stepping Up Production, Export of Art, Handicrafts Important Course of Thai Binh	30
Mission, Techniques of Foreign Trade	



M.L.

--Applying the Model, "Law of Seller's Nation" in  
International Trade

32

Replies to Readers

34

9830

CSO: 4209/543

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

GDR SOLIDARITY GET-TOGETHER--The Vietnam Committee for Solidarity and Friendship with Other Peoples [VCSFP] held a get-together in Hanoi on the evening of 25 July to mark the 25th founding anniversary of the GDR Solidarity Committee. Attending on the Vietnamese side were Prof Hoang Minh Giam, chairman of the VCSFP; Trinh Ngoc Thai, general secretary of the VCSFP; and many representatives of various agencies, mass organizations, and the press at the central level and in Hanoi. Herman Schwiesau, GDR ambassador to Vietnam, and officials of the GDR Embassy were present. Trinh Ngoc Thai made a speech, hailing the GDR Solidarity Committee in supporting and assisting the Vietnamese people in their struggle for national defense and in national construction. He also reviewed the various movements for the support of Vietnam organized for the solidarity committee over the past years. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 25 Jul 85]

WHEAT AGREEMENT WITH INDIA--Hanoi, 28 Jul (VNA)--An agreement on India's loans of 50,000 tons of wheat to Vietnam was signed in New Delhi on Friday. Signatories were Mme Otima Bordia, Indian vice-minister of finance, on behalf of the Indian Government, and Vietnamese Ambassador to India Hoang Anh Tuan, on behalf of the Vietnamese Government. Speaking on this occasion, Mme Otima Bordia stressed that this agreement was part of the fine cooperation and friendship between the Socialist Republic of Vietnam and the Republic of India. [Text] [Hanoi VNA in English 1448 GMT 28 Jul 85]

TRUONG CHINH GREETES MALDIVIAN PRESIDENT--Hanoi, 25 Jul (VNA)--President of the State Council Truong Chinh has extended warm greetings to President Maumoon Abdul Gayoom on the 20th Independence Day of the Republic of Maldives. In his message, President Truong Chinh wishes for further development of the friendship between Vietnam and Maldives. He wishes President Maumoon Abdul Gayoom the best of health and his country development and prosperity. On this occasion, Foreign Minister Nguyen Co Thach has sent greetings to his Maldives counterpart, Fathulla Jameel. [Text] [Hanoi VNA in English 0808 GMT 26 Jul 85]

CUBAN CUSTOMS DELEGATION--Hanoi, 26 Jul (VNA)--A delegation of the Cuban General Customs Department left here Wednesday after a week-long visit to Vietnam. The Cuban guests paid tribute at the Ho Chi Minh Mausoleum and toured several localities in Vietnam. They were received by Pham Hung, Political Bureau member of the Communist Party of Vietnam Central Committee and vice-chairman of the Council of Ministers. [Text] [Hanoi VNA in English 1542 GMT 26 Jul 85]

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HANOI PEOPLE'S COUNCIL MEETING--The ninth People's Council of Hanoi Municipality held its second session in the 1st days of July. The session adopted a resolution on the socioeconomic tasks of Hanoi for the last 6 months of 1985 and decided to change the current payment of a portion of wages in kind into payment in cash in the entire capital city pending the application of a new state wages system. This decision was signed by the chairman of the Hanoi Municipal People's Committee on 11 July. [Excerpt] [Hanoi Domestic Service in Vietnamese 0500 GMT 20 Jul 85]

LAM DONG PARTY MEETING--The Lam Dong provincial party committee recently held an enlarged conference with key cadres of the province and its districts to discuss measures to implement the party Central Committee's eighth plenum resolution on prices, wages, and money. The conference thoroughly analyzed what had or had not been achieved in local socioeconomic development during the past few years. The conference clearly realized the harmful effects of the bureaucratic state-subsidy system, which had caused difficulties and bottlenecks in production and business operations. The conference showed great confidence in the party's new economic policy and expressed determination to shift definitely from bureaucratic centralism to socialist economic accounting and business systems. The conference decided that Lam Dong will begin implementing the system of wage payment in cash on 1 August 1985. [Excerpt] [Hanoi Domestic Service in Vietnamese 1430 GMT 21 Jul 85]

NGHIA BINH PARTY MEETING--The Executive Committee of the Nghia Binh provincial party organization has met to study the eighth party Central Committee plenum's resolution on prices, wages, and money. The province has set up a steering committee for prices, wages, and money headed by the provincial people's committee chairman. The province has instructed all sectors, levels, and localities to urgently formulate concrete plans to implement the party's resolution. Since 1 July, Nghia Binh has uniformly shifted from the payment of wages in kind to the payment of wages in cash. The province has also abolished the ration stamps and coupons system. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 22 Jul 85]

DONG THAP PARTY CONFERENCE--From 15 to 17 July, the Standing Committee of the Dong Thap provincial party committee met with the financial, banking, trade, and food sectors to study and discuss measures to implement the resolution of the eighth party Central Committee plenum on prices, wages, and money. Dong Thap decided to pay wages in money instead of in kind to all cadres, workers, civil servants, members of the armed forces, and retired cadres throughout the province from the beginning of August 1985 onward. After the conference of the provincial party committee's standing committee, the Dong Thap provincial people's committee convened a conference of the local services, sectors, branches, corporations, and mass organizations as well as the various district and city people's committees and labor, financial, and banking offices to discuss the implementation of the plan to pay wages in money. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 22 Jul 85]

CSO: 4209/556

ECONOMIC PLANNING, TRADE AND FINANCE

BOTH RURAL, URBAN FAMILY SIDELINE BUSINESSES IMPORTANT

Hanoi DOC LAP in Vietnamese 26 Jun 85 p 4

[Article by Ha Thanh: "Some Thoughts About Family Sideline Businesses in the City"

[Text] Family Sideline Business and the Family Economy

In our country, as in all socialist countries, the family sideline business is a combined element and objective existence of the economy.

The Soviet Union is a country in which state-operated and collective agriculture is at a rather high level of development, yet family sideline businesses still account for from 25 to 30 percent of the total income of farm and state farm members and other classes of the population. The proportion of total agricultural output derived from family sideline businesses is 25-27 percent. Food supply programming of the Soviet Union out to 1990 continues to reflect widespread use of family sideline businesses to supplement the food and agricultural products of society. In a number of other socialist countries, such as Hungary and Mongolia, the percentage of peasant income derived from family economies is even higher--as high as 40-50 percent. Available data indicate that family sideline businesses in our country have grown to account for 60 percent--in some places, 80 percent--of income. This is no sideline source of income, but a part of the basic structure of the gross social product.

Although this percentage has much economic significance, socialist countries consider family sideline businesses to have essentially only a "subsidiary" role, because only the overall economy and the collective economy are the true pillars of a socialist economy. Family sideline businesses use dispersed labor and the worker's labor or that of his family, not hired labor, in any form. In the Soviet Union, it is even forbidden to use hired labor in the form of family relatives.

If the family sideline business is a type of production with a subsidiary function, then the family economy is a broader category of economy than the family sideline business. It embraces both production and distribution. When the socialist economy develops to a high level, the production function

of the family economy diminishes, then disappears, and the consumption function develops daily and (the family business) gradually becomes purely a distribution organization.

#### Developing the Family Business in Cities

The city is an area of concentrated population. Economic activity in cities (not counting suburbs) is not agricultural. The main purpose of developing sideline businesses, therefore, cannot be to increase food and supplementary commodities for society, except for in a number of families with the right prerequisites.

Our economy is having a lot of difficulty right now. Many of the people's demands are not being met satisfactorily. Daily life is difficult for cadres and workers, and especially for those who have retired. The problem is to find directions in which family businesses can develop in the city which will increase workers' income.

The current economic situation in the city is characterized by a need to make improvements in the market, organize industrial and handicrafts production, and reorganize service sectors. Due to materials and energy problems, many enterprises are as yet unable to fully activate potential productivity, many cooperatives are short of work, and some enterprises must change their production orientation or change over to other products.

On the other hand, the number of people reaching labor age in cities are increasing every year, putting pressure on the economy. Meanwhile, economic sectors are unable to attract many workers. (In recent years in Hanoi, for instance, only a yearly average of just over 7,000 workers could be attracted to industry.) The sector able to attract the most workers today and long into the future is still small industry and handicrafts.

Family businesses in cities can be developed along two lines: family handicrafts and centralized small industry and handicrafts in such forms as production teams or individual production efforts.

Family industry can be a "branch plant outside the enterprise" organized by a factory or cooperative on its own initiative, such as lending or renting machinery or giving it to workers and giving them raw materials to produce more and use the leisure-time labor of families, forming work sections or branches or assembling products associated with the main product of the enterprise or cooperative. Many localities, like Ho Chi Minh City, with many sectors such as weaving and sewing garments organized "branch plants outside enterprises" like that, and caused marked improvements in the workers' standard of living.

Technical sectors are now doing research, with localities, on how to rearrange the main production efforts of the locality. Special encouragement is being given to produce export goods, especially traditional goods. Family businesses should be directed along these lines and avoid

entering sectors that must be eliminated. Also, because of current problems with raw materials, family sideline businesses and production teams can use their nimble powers of ingenuity to effectively utilize materials discarded by other production branches to make goods and commodities which, though not large in volume, contribute to providing a richer variety of commodities.

Another direction in which family businesses can develop is that of a number of repair service sectors that are developing in an organized way in keeping with policy regulation.

The development of livestock raising within the city has had some initial success, but breeding stock and feed have not been supplied regularly and widely; demands have not been met.

Developing family sideline businesses and family businesses not only in the countryside, but also in the city, is presently a means of drawing surplus or leisure-time labor into production and fully exploiting all available assets, from small plots of land to discarded materials, to make more products for society and contribute to maintaining and reproducing the labor of society.

9830

CSO: 4209/552

ECONOMIC PLANNING, TRADE AND FINANCE

GARDEN, FISH POND, LIVESTOCK FORM PERFECT ECOSYSTEM

Hanoi DOC LAP in Vietnamese 26 Jun 85 p 5

[Article by Nhat Linh: "A Vegetable Garden, a Fish Pond, Domestic Animals and the Family sideline Business"]

In the countryside and in many villages on the outskirts of the city, most residents have made a garden and a fish pond. From these natural conditions, along with livestock, we can create a very big family sideline business. The mutual support among these three elements forms a perfect ecological relationship called VAC [expansion unknown]. In many localities (including schools and worker residential areas), perfecting this relationship improved meals and brought wealth through those family sideline businesses. From farm work experience our ancestors concluded that economic efficiency is (1) barnyard farming (digging ponds), (2) gardening, and (3) field cultivation. With a small pond, we can practice intensive cultivation on three water levels: bottom, mid-level, and surface. At the surface level of the pond is the area in which plants are grown around the pond, or gourd trellises (are placed). In the country and in suburbs we usually find the familiar sight of fish ponds and small garden plots around the house with many types of fruit trees and vegetables, utilizing the four ecological levels, and livestock stables. In this closed ecological relationship, the components encourage each other to cause the plants and livestock to grow, and those products, which are sources of family sideline businesses, not only improve meals, but contribute more goods to society.

Developing family businesses by digging ponds, intensively cultivating gardens, and raising livestock on the VAC model has developed into a widespread movement over the past few years. Thanks to digging a fish pond and stocking it with fish, the Thai Nguyen iron and steel complex estimates that it will be able to get 100 tons of pork and 100 tons of fresh fish this year. In 1984, under conditions of general hardship, families of workers and collectives were still able to supply 50 tons of fish and 80 tons of pork. There were 4,000 ponds, averaging 40 square meters per pond.

There is also a drive among general schools to stock ponds with fish, raise livestock, and cultivate gardens, sowing every plot of land so that they are totally utilized and a large harvest is achieved. Thang Loi Basic General



School, in Bac Thai Province, from only its efforts at planting seed plants, grafting fruit trees, raising rabbits, and growing mushrooms, made an average yearly income of 300,000 dong. Students received an average of 1,456 dong. Song Phong and Hoang Dieu, basic general schools in Hanoi, received about 300,000 dong per year. Tran Hung Dao Middle School, in Hai Phong, made over 1 million dong a year raising pigs and stocking ponds with fish. Con Tien Middle School, in Binh Tri Thien Province, has a current capital of 65 million dong from raising high-value products such as rubber and coffee.

We have heard about Da Ton, Hanoi, for a long time as a model of the new countryside. Visiting Da Ton, one sees intensive cultivation of gardens and ponds to develop livestock and, contrariwise, livestock producing fertilizer for gardens and ponds. Each family in Da Ton has made 100,000 dong from livestock raising. The 5-7 kilometers of Da Ton road are pleasantly shaded. It is mainly because of this sideline business that meals have improved and the standard of living has raised for every family in Da Ton. After setting aside funds for production costs and payments to the state, each person of Da Ton received 16 kg of rice, .4 kg of fish, .5 kg of beans, 15 kg of green vegetables, and 1.5 kg of fruit. This is a very high standard of living compared with many regions in the country today. Total annual income of Da Ton from family businesses is 53 million dong, of which 22 million are from raising crops (with apples alone accounting for 1.5 million dong), and 22 million are from raising pigs. In the past few years Da Ton has obtained enough revenue from utilizing roadsides and field banks for crop raising to build a nursery, a hospital, a warehouse, and a meeting hall, all 2-storey buildings.

In many places, thanks to experience in crop and livestock raising as well as more traditional handicrafts, family businesses have had an important role in peasant life. In Thuong Tin (Ha Son Binh Province), the Do Van Dung family made 32,000 dong from crop and livestock raising and 120,000 dong from weaving--meanwhile, income from the fields was 25,000 dong, 17 percent of the income from the family's sideline business. The Do Van Dung family made 97,500 dong from the family sideline business and 23,000 dong from the fields, 25 percent. The Le Van Giac family, an average family, made nearly 50 percent.

Many sectors and localities have developed family sideline businesses by intensively cultivating gardens, (digging) ponds, and developing livestock raising. Experience has shown that developing family sideline businesses not only has significance in such practical areas as improving the standard of life, increasing goods for society, creating sources of raw materials for developing the processing industry, small industry, and handicrafts, but also has scientific significance. Experience has also shown that ponds can be dug and stocked with fish and gardens can be grown in all areas of our country to develop family sideline businesses, as done by border units, schools, or industrial zones. And only developing family sideline businesses will improve our material life today.

AGRICULTURE

RADIO REPORTS ON CROP RAVAGES BY DROUGHT, INSECTS

BK241145 Hanoi Domestic Service in Vietnamese 0500 GMT 21 Jul 85

[Text] The northern provinces have completed the harvesting of a successful 5th-month spring rice crop while the southern provinces are continuing to reap the summer-fall rice crop, which is expected to produce a fairly high yield, and are strongly shifting to growing the 10th-month crop.

According to the General Statistics Department, as of 15 July the entire country had sown and transplanted 689,128 hectares of 10th-month rice, with the north accounting for 135,298 hectares and the south 55,830 hectares [figures as heard], equivalent to 47.5 and 93 percent of the area cultivated during the same period in the previous crop in both parts of the country respectively. Generally speaking, the pace of 10th-month rice planting is slower than last year, with the cultivated area representing a drop of 190,000 hectares from the previous crop, equivalent to a decrease of 70.3 percent.

Recently, the drought-stricken area of ricefields and land being prepared for crop planting has rapidly expanded as a result of prolonged sunshine and warm weather. According to the Ministry of Water Conservancy, to date 460,700 hectares of rice and cropland have been affected, 261,000 of them in the north 179,700 in the south [figures as heard]. In Ha Son Binh, Thai Binh, Ha Bac, Thanh Hoa, and Hai Hung provinces, 20-45,000 hectares have been hit. In Hau Giang and Minh Hai provinces, 110,000 hectares of summer-fall rice have been affected, more than 6,000 of them severely and already written off as a total loss. In other provinces, about 10,000 hectares of rice and cropland are lacking water.

Meanwhile, the area of rice plants and rice seedlings attacked by harmful insects and diseases has continued to expand quickly. In the southern provinces in particular, nearly 130,000 hectares of summer-fall rice have been hit, an increase of almost 110,000 hectares over the corresponding period in the previous crop.

The northern provinces are currently in the best period for the cultivation of 10th-month rice. They should concentrate efforts on combating drought,

obtaining water, and quickly preparing the soil so as to grow the 10th-month crop on schedule. The southern localities should mobilize peasants to concentrate on quickly and efficiently harvesting the summer-fall rice crop while providing water for drought-stricken ricefields. They should also set aside adequate manpower to cultivate the remaining 10th-month rice area and apply a combination of various measures to exterminate harmful insects and control diseases to save rice plants and rice seedlings.

CSO: 4209/555

AGRICULTURE

GUIDELINES FOR EXPLOITING MARINE LIFE GIVEN

Hanoi TAP CHI HOAT DONG KHOA HOC in Vietnamese May 85 pp 16-18

[Article by Ho Tho: "Exploit the Country's Sources of Marine Life"]

[Text] In order to fulfill 30-40 percent of the protein requirements and supply protein from the sea for food and other important targets in the coming period, the marine products sector must make a great effort. In the various tasks, from basic investigations to exploitation and zoning, to have sources and make full use of them, an effort must be made to fulfill the specific norms. The sectors and localities must coordinate things well with the marine products sector, particularly in managing production, making basic investigations, building the material and technical base and training and building the new man for the fishing zones. Cooperation with the Soviet Union and other countries should be strengthened in order to exploit our country's sources of marine life even better.

Marine life is an important source of protein for people. On the average, 20 percent of the world's food protein is obtained from marine products (in Asia and the Pacific, it is 50 percent). Thus, countries in the world are giving more and more attention to exploiting the sources of marine life.

Favored by nature, our country has a large marine area. Because of this, ocean and marine resources play a major role in developing the country and in satisfying the ever-increasing needs of the people, which is the major target of the marine products sector. We feel that in the coming period, the basic tasks to be carried out by the fishing industry in general and the marine products sector in particular include providing 30-40 percent of the protein needed for meals, contributing a notable percentage for exports, providing a livelihood for fishermen and participating in defending our sovereignty and maintaining security at sea. Based on the forecasts, by the year 2000, the sector must catch and harvest 1.3-1.4 million tons, including 80,000 tons of shrimp (caught and raised). In order to fulfill such high norms, the sector must make a great effort on every front. The following are some initial thoughts on problems related to obtaining marine products (mainly marine life).

First, I will discuss making basic investigations. In the coming period, basic investigations to support catching marine products must be made based on the following guidelines:

1. Expand the scope of ocean surveys and surveys of sloping areas and islet regions. In particular, great attention must be given to migrating surface fish, deep-water bottom fish and deep-water shrimp.
2. Continue to survey the traditional fishing zones in order to control changes in the sources.

Based on the survey data, research projects on the physiology and ecology of fishing and rearing objectives that have a high economic value and that account for a high percentage must be carried on. At the same time, projects to evaluate changes over space and time and effective systems for exploiting those sources must be carried on.

Adequate oceanographic details, such as details on currents, tides, waves, winds and obstructions, must be provided in order to prepare charts to guide production in each marine area.

Comprehensive area surveys must be made and investigations must be conducted on the hydrologic, marine weather and hydrographic systems in the tidal plains area, brackish water pools and areas inundated with salt water in order to have a basis for formulating plans for the integrated exploitation of these areas.

On catching marine products:

The essential thing is to promote rearing marine life, organize efficient production in the coastal areas and strengthen fishing in distant zones. Specifically:

Improving the fleets: Based on determining efficient and effective types of boats for each type of job, [boat] types must be simplified and fishing zones must be delineated for each type of boat. The capacity of the deep-sea fishing boats (above 250cv) must be increased gradually.

The difficulties concerning spare parts must gradually be resolved. The construction of small ships and manually-operated boats with hulls made of concrete reinforced with steel netting must be increased. The use of wooden hulls must be limited. Steel hulls are used only for large ships.

Delineating fishing zones:

For areas near shore, the quota is 550,000 tons a year. The means used consist of manually-operated boats and 4-33cv motor boats. Mechanized boats are not to be used to drag the bottom in water less than 15 meters deep (except for shrimp boats of 35cv or less).

Because of the fuel problem and the problems in obtaining capital to build large boats, in areas far from shore, we must concentrate on expanding those sectors, such as open-sea fishing, carp [vang] fishing, trap fishing, bownet

fishing and fishing with lights, that do not require the use of large mechanized boats to catch surface fish. By the year 2000, it is advocated that a portion of the bottom fish in open-sea areas be caught using domestic capabilities. For the rest, we will have to rely on international cooperation.

Things must be organized on a large scale to exploit the marine areas and move the fishing sites depending on the season.

#### On rear service:

The rear service network must be taken out to sea to provide on-the-spot support for the open-sea fishing boats. This must be done by having floating stations and transport boats. Through having marine rear services and providing fishing site and technical guidance, the marine products of the people must be placed in the hands of the state.

The islands must be turned into rear service, repair, storage and processing bases.

The necessary material bases must be built in order to be able to repair and service large ships. A federated network of port docks--repair shops--and processing installations must be organized for the key fishing regions.

#### On raising marine products in tidal and brackish water areas:

The marine products rearing sector must be upgraded to a strategic sector in order to produce a large volume of commodities of high export value (shrimp and seaweed) and contribute some to produce food products. First of all, full use must be made of the water and labor potential, integrated technical measures, such as obtaining natural species, breed replenishment, and managing things, must be provided and main crop yields must be increased to 0.25 tons per hectare per year. The rule of growing 10-20 hectares of seaweed per year must be applied widespreadly in order to have a yield of 9,000 to 10,000 tons of dried seaweed by the year 2000. The shrimp rearing area must be expanded actively by resolving the breeder and feed shortage. There must be an average yield of 1 ton per hectare per year in order to have yields of 27,000-28,000 tons of shrimp by the year 2000.

Along with the main objectives, that is, shrimp, fish and seaweed, production of a number of special products such as small sea puffers, mussels, oysters and sea cucumbers must be restored and expanded.

#### On using products:

The existing equipment must be utilized fully, new equipment must be installed as quickly as possible and scientific and technical means must be developed to store and process products in order to improve the quality of the commodities and utilize waste products fully, which will indirectly increase yields. By the year 2000, if fishing yields reach 1.25 million tons, 45 percent (560,000 tons) is processed and, through processing, wastage is reduced to 10-15 percent (as compared with 21-26 percent today), this added yield will reach more

than 60,000 tons. It should be noted that the processing industry is a light industry that does not require a large investment, but capital recovery is more difficult than in the shipbuilding industry. On the other hand, it increases the value of products and can attract laborers who do not have work and laborers new to the fishing sector.

Major measures:

In order to carry out its tasks well, the marine products sector must have the help, support and cooperation of the state and other sectors in the following spheres:

1. Administrative, legal and management mechanisms:

The state must guide and manage the ocean regions in a unified manner from the central echelon to the localities. Zoning and annexing ocean regions must be opposed.

There must be suitable investment policies for building a material base for the sea industries. The production capacity of the fleets must be increased.

Laws on exploiting and protecting the marine life resources must soon be promulgated.

There must be policies to stimulate the open-sea fishing industries and price support policies for the open-sea industries.

2. Basic survey spheres:

There must be plans to train technical cadres to survey and study sources of marine life.

In cooperation with the colleges and institutes of science, biological studies must be done on the main objectives raised and caught in order to exploit them more effectively.

Together with the navy, the marine geology sector and the Institutes of Science, oceanographic studies must be made and charts of currents, obstructions and maritime navigation charts must be prepared.

Marine weather forecasts must provide timely support for marine fishing activities. In particular, forecasting the winds is very important for obtaining high fishing yields.

Each year, storms cause great loss of life and property. Thus, there must be a special research program on making better forecasts in order to limit the destruction.

The agro-forestry, water conservancy and fishing sectors must cooperate in studying the following problems:

The effects of industrial pollution resulting from the use of chemical fertilizers and insecticides on sources of marine life.

The effect of headwater forests and flood-control programs on river hydro-graphic systems and, through this, on the living and breeding conditions of fish and shrimp.

The possible effects of building sea dikes on the ecosystem.

Projects to use brackish water zones and build models to expand the rearing of marine products in an agro-forestry-fishing system with the district being the principal site.

Things must be coordinated with the gas sector in order to formulate a program to use the survey tools to make integrated surveys of the resources. Studies must be done on the mutual effect of the oil drilling industry and the marine products exploitation sector, on the possibility of having pollution and on antipollution measures.

### 3. Construction of the material base to support production:

Together with the machine and metallurgy sectors, problems in manufacturing marine equipment, producing and supplying steel and spare parts to support repairs and new construction and improving fleet capabilities must be studied and solved.

Together with the transportation and communications sector, piers must be built, boats must be repaired and built and a system to maintain safety at sea (marine lamps, buoys and guide signal broadcasting stations) must be built and used.

The chemical industry must provide raw materials for fiber nets and lead buoys for fishing and chemical wrappers for storing and transporting marine products.

The salt sector must be suitably reorganized to use the salt flats to produce salt, raise marine products seasonally and supply enough salt for preserving and processing marine products.

Good support must be received from the electronics and radio sector in order to produce and supply navigation equipment, fish detectors and shipboard signal and liaison equipment. Cadres and workers must be taught how to use and repair the above equipment.

Because of having to maintain and solidfy the fleets of small boats to exploit the coastal areas, there is a great need for wood in the forestry sector.

Because of increasing the number of boats with hulls made of concrete re-inforced with steel netting, the demand for cement will increase, too. The demand for cement and building materials is also increasing rapidly because of the construction of rear service projects and piers.



4. Training and building the new laborer and improving cultural and social life for the fishing areas:

Education must be provided and social propaganda spread in order to raise the level of understanding and concept of ownership of the cadres, workers and fishermen.

Vocational education must be strengthened in the general schools in order to motivate the young and healthy laborers who can grasp the new knowledge and techniques to participate in the marine products sector.

Family planning must be promoted in the fishing areas.

The construction of new economic zones that specialize in producing and raising marine products in marshy and tidal areas must be studied and planned.

Cultural and social life in the fishing fleets and fishing villages must be improved. The public health sector must give special attention to improving sanitation in daily life and industry in the fishing areas. Along with turning the islands into rear service bases for exploitation, there must be plans to fulfill the essential needs of the laborers concerning cultural and social life and services.

5. International cooperative relations:

Cooperation with the Soviet Union in investigating sources of marine life, exploiting the sources in open-sea areas and studying a number of problems in tropical biology must be strengthened.

An effort must be made to secure the help of other countries and international organizations in building a material base and training specialists for the sector.

Conditions must be created to enable us to participate in the "Agreement to Establish a Center for the Development of Fishing In Southeast Asia" (SFAFDEC).

11943

CSO: 4209/517

AGRICULTURE

BRIEFS

AUTUMN RICE CROP PLANTING--Vietnamese peasants in northern provinces have so far put 630,000 hectares under autumn rice, only 70 percent that of the same period last year. It is due to a long cold spell affecting the previous winter-spring crop, whose harvest was 20 days late. At present, all services are concentrating efforts on assisting peasants to complete the transplanting of autumn rice. In the south, due to hot weather, the rice acreage attacked by crop pests is increasing. [Text] [Hanoi International Service in English 1000 GMT 22 Jul 85]

NATIONWIDE EMULATION DRIVE--People throughout Vietnam are engaged in a seething emulation drive to celebrate the 40th anniversary of the August revolution and national day, 2 September. More than half a million tonnes of nitrogenous fertilizer have been transported in time to various localities to help them better serve the autumn rice and other crops for export. Youth in Quang Nam-Danang Province, central Vietnam, has completed 1,700 economic, cultural, and social welfare projects, changing the face of the rural areas heavily devastated by U.S. bombs and shells. In the first half of this year, 16,000 laborers were mobilized to the seven state rubber farms in Song Be Province, Southern Vietnam. Meanwhile, peasants in Dong Trieu District in the northern border province of Quang Ninh have marked off 3,000 hectares for high-yield rice. In Vietnam, high-yield rice areas are of great help to stabilize the rice yield and rice farming and distribution. [Text] [Hanoi International Service in English 1000 GMT 23 Jul 85]

KIEN GIANG FISHERY DEVELOPMENT--Hanoi, 25 Jul (VNA)--The state-run fishing enterprise of the southern coastal province of Kien Giang in the first half of this year netted 2,100 tons of fish and shrimps, a 3-fold increase over the same period last year. It has built 20 new fishing boats bringing its total to 62. Of these, 26 have a capacity of from 250 to 550 hp. In the same period, the provincial marine product service built 23 shrimp farms, involving 750 people and 1,100 ha of water surface, each of which is expected to yield 400 kilograms of shrimps for export. [Text] [Hanoi VNA in English 0712 GMT 25 Jul 85]

CUU LONG RICE--In Cuu Long Province, as of 12 July prolonged drought had affected 35,252 hectares of summer-fall rice, or 38.5 percent of the cultivated area. During the same period, harmful insects and diseases had attacked another 8,412 hectares. Because of their active irrigation and pest control efforts, to date the local peasants have saved more than 4,500 hectares of rice. In addition, they have harvested 7,045 hectares of early summer-fall rice with an average yield of 4 metric tons per hectare. [Excerpt] [Hanoi Domestic Service in Vietnamese 1430 GMT 20 Jul 85]

HA BAC GRAIN DELIVERY--As of 17 July Ha Bac Province had delivered to the state granary 40,246 metric tons of paddy, overfulfilling the total procurement target by 0.6 percent and exceeding the amount delivered in last year's 5th-month spring crop by more than 10,000 metric tons. This is the crop season in which Ha Bac had delivered the largest amount of paddy in the shortest time ever. [Excerpt] [Hanoi Domestic Service in Vietnamese 2300 GMT 20 Jul 85]

CSO: 4209/556

HEALTH, EDUCATION AND WELFARE

LONG AN DEVELOPS AGRICULTURE, EDUCATION

OW281756 Hanoi VNA in English 1440 GMT 28 Jul 85

[Text] Hanoi, 28 Jul (VNA)--Long An, 50 kilometres south of Ho Chi Minh City with a land area of 430,000 hectares is the fourth largest among the nine Mekong River delta provinces but seventh in terms of cultivated acreage since half of its land is covered by marshy forests or otherwise uncultivable acidic and saline soil, mostly in the Plain of Reed.

To turn into account the Plain Reed has been a watchword in the past few years following the 3rd congress of the local party congress in 1982. The keynote of the programme is to build enough irrigation works to wash acidity and salinity, and supply fresh water for the fields. Tens of thousands of workdays have been spent on this work, involving the civilian population and the army. Nearly 10 million cubic metres of earth have been moved in the digging of hundreds of kilometres of irrigation canals. The Plain of Reed has been divided into small plots to facilitate irrigation and drainage. As a result, three districts in the plain, namely Tan Thanh, Moc Hoa and Vinh Hung, have expanded their farm land by almost 30,000 hectares.

Along with the expansion of agricultural land, adequate attention has been paid to redistributing the workforce. More than 100,000 persons from other places have been helped to settle in the region which gave rise to many populous district-towns. Within 10 years after liberation, the province has expanded its agricultural land by 2.5 times. Rice output has increased by more than 100,000 tons a year. Food production per capital has risen from less than 300 kilos to more than 500 kilos. Fifteen thousand hectares which were left waste in the war years have been converted into double-cropping ricefields yielding 7-8 tons of paddy per hectare. The local peasants have broken with their backward practices and embraced new methods of farming which combine manual with mechanized means in soil preparation and irrigation.

The newly built road No 49 crossing the Plain of Reed has transformed the looks of the area. Long An is among the leading provinces in the south in the campaign against illiteracy for which it won the Labour Order, First Class. Today, the remotest villages in the Plain of Reed have their own creches, kindergartens, schools and hospitals. Many technical and cultural groups have been founded in this former wilderness.

CSO: 4200/1277

HEALTH, EDUCATION AND WELFARE

BRIEFS

REVOLUTIONARY BASE RENOVATION--Hanoi, 26 Nov (VNA)--More than 250 public facilities have been built or restored in Cu Chi District of Ho Chi Minh City, over the past 10 years. Cu Chi was known as the "Steel Land" during the two resistance wars against the French and U.S. aggressors. The projects include a renovated 700-metre underground tunnel, a tradition house, the district market, the Children's Cultural House, the Cu Chi Hospital, a sugar mill, the district postal office, a major hotel, etc. Besides, medical stations, broadcasting networks and marketing cooperatives have been built in all 21 villages of the district. [Text] [Hanoi VNA in English 0718 GMT 26 Jul 85]

MATHEMATICS CONFERENCE--Hanoi, 27 Jul (VNA)--The third national conference on mathematics was held here from 22-25 July under the joint sponsorship of the Vietnam Institute of Sciences, the Association of Mathematics and the Ministry of Higher and Vocational Secondary Education. More than 450 researchers, lecturers and mathematicians in Vietnam and from overseas attended the conference. Also present at the conference were representatives of the Department for Sciences and Education, the Office of the Council of Ministers, the Institute of Sciences, the Committee for Science and Technology, the Union of Scientific and Technical Association, the Association of Mathematics, Professors Tran Dai Nghia, Ta Quang Buu and Le Van Thiem and other veteran mathematicians. The participants heard a letter from Chairman of the Council of Ministers Pham Van Dong praising the efforts of Vietnamese mathematicians and recommending them to make still greater efforts in training the contingent of mathematicians and in applying mathematics to serving national construction and defence. The participants heard 310 scientific reports and expressed their determination to strive to develop their branch. [Text] [Hanoi VNA in English 0723 GMT 27 Jul 85]

CSO: 4200/1277

END