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20 September 1985

SOUTHEAST ASIA REPORT

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INTER-ASIAN AFFAIRS

ASEAN WANTS 'COMPREHENSIVE REVIEW' WITH EC IN OCTOBER

BK160225 Bangkok THE NATION in English 16 Aug 85 p 3

[Text] ASEAN countries will push for a comprehensive review of its economic agreement with the European Economic Community when economic ministers from both regional groupings meet here in October, a Foreign Ministry source says.

The source said that the first ASEAN-EC meeting on October 17-18 will focus on three main areas: economics, trade and development.

On economic issues, the source said, ASEAN will urge the EC to invest more in the region. According to John Hansen, head of the Bangkok-based delegation of EC for Southeast Asia, EC investment in ASEAN is second only to Japan and is slowly losing its position to other countries.

The source also said on trade that the ASEAN countries will urge the EC to open its market to more exports from the region.

Since the signing of the ASEAN-EC Economic Cooperation Agreement in 1980, the EC has provided substantial financial and technical assistance to ASEAN to enhance activities in the region.

The source said that in development, cooperation has been limited to exchanges of data on economic affairs which are of interest to both sides.

Senior ASEAN officials last week also agreed on an agenda during the 3-day preparatory meeting in Jakarta.

The source added that the ASEAN countries would review the general service preference, science and technology cooperation with EC, and other topics.

ASEAN would also press tourism to become an integral part of the ASEAN-EC agreement. The issue was not included in the existing agreement.

CSO: 4200/1423

INTER-ASIAN AFFAIRS

BRIEFS

EEC GRANT TO ASEAN--The European Commission has pledged a grant of U.S.\$3.5 million for ASEAN to carry out trade promotion projects. The grant, announced through the EEC office in Bangkok, will be used in implementation of various projects both at the regional and national levels to enhance ASEAN exports and human resource development. The money will cover a 2-year period--1985-86. [Excerpt] [Bangkok THE NATION in English 8 Aug 85 p 19 BK]

CSO: 4200/1423

AUSTRALIA

HAWKE ASKS 'CENTER LEFT' FACTION TO DISBAND

BK221206 Sydney THE WEEKEND AUSTRALIAN in English 10-11 Aug 85 p 1

[By Peter Logue]

[Text] The prime minister, Mr Hawke, has told key figures in the centre left faction that it would be better for the Labor Party if the faction disbanded or at least scaled down its activities.

Mr Hawke made the request at a meeting in Canberra some 2 weeks ago with the minister for foreign affairs, Mr Hayden, the minister for finance, Mr Walsh, the special minister of state, Mr Young, and the minister for trade, Mr Dawkins.

Party sources last night confirmed that Mr Hawke told the centre left leaders that recent private opinion polling had shown that factional brawling was making a substantial contribution to the poor showing the party.

Three centre left ministers--Mr Hayden, Mr Dawkins and Senator Walsh--made headlines recently with comments that could be seen as being disruptive to the running of government.

Senator Walsh again attempted to reopen debate on possible introduction of tertiary education fees, Mr Dawkins said that the government was not doing enough for young people, and Mr Hayden spoke out in defence of high court Judge Lionel Murphy.

At the beginning of the parliamentary session early this year Mr Hawke and other faction leaders, at the famous "Lodge Breakfast," agreed that a lid must be kept on public factional brawling.

According to informed sources, both Mr Hawke and the centre left ministers agreed at their meeting last month that this had not worked.

However, one senior centre left source said there was no way that the faction was going to disband outright, pointing out that it was unlikely that the rigidly factionalised left-wing group would do so, and that the right-wing group, of which Mr Hawke is the leading member, wielded its power ruthlessly.

The source said, however, that it was likely that the parliamentary center left would discuss the issue when it meets at the resumption of Parliament later this month.

The fact that the centre left is not paying much attention to Mr Hawke's comments is evidenced by Mr Hayden's Chifley Memorial Lecture on Tuesday night.

In that lecture Mr Hayden delivered what was considered by many on the left and centre left of the party as a damning indictment of the direction of the Hawke government.

At the instigation of Mr Hayden, the centre left draw from that amorphous centre grouping in the parliamentary party that was non-aligned, too moderate for the left, or too left wing for the right.

The faction has enjoyed success only in Western Australia and South Australia; in Queensland it has been forced to rely on the support of the right-wing Australian Workers Union group, support that has recently been withdrawn; in Victoria it is represented by the small independents faction of Senator John Button and the premier; Mr Cain; in right-wing dominated NSW [New South Wales] it has made no inroads; in Tasmania it has had limited but growing success.

CSO: 4200/1421

AUSTRALIA

HAWKE URGED TO STAND FIRM AGAINST UNION WAGE DEMAND

BK221151 Sydney THE WEEKEND AUSTRALIAN in English 10-11 Aug 85 p 10

[Editorial: "Wages: Hawke Must Not Bow to the ACTU"]

[Text] The effrontery of the Australian Council of Trade Unions [ACTU] in announcing that it is going to present the government with a productivity wage claim of about 4 per cent is breathtaking. Here we are, with good economic figures but an outlook of inflation rising and international competitiveness declining, and the ACTU sets itself against discounting of wages to reap the benefits of devaluation and tosses in a 4 per cent claim, albeit in the form of superannuation benefits.

The Whitlam government showed that it could not handle wages and unions. Malcolm Fraser and his government proved that they also could not handle wages and disputation. The Hawke government has got disputation down but at a cost through the wage-indexation system which is too great if we are to maximise our opportunities.

There has been not insubstantial wage drift outside the system--enough, some people might think, for there to be no productivity case to bring yet more benefits to union members.

The ACTU undoubtedly torpedoed the government's most-favoured tax option at the summit and brought great uncertainty to the economic scene as a cabinet sub-committee wrestled with the post-summit damage. There is no doubt that at the moment business is slowing in Australia as the market place is affected by uncertainty over levels of future retail taxation and the cost of employing labour owing both to wages and to the threatened taxation of employees' fringe benefits.

The union movement has got to make a concession to the Labor government to which it is bound through the prices and incomes accord and through its affiliation with the Labor Party. It can say as many times as it likes that the government will put the accord at risk if it does not give in to its demands, but if the federal government fails economically before the next election not only will the benefits to the union movement of the accord be lost but so will the centralised wage-indexation system.

The main plank of the opposition policy at the next election, if it has any sense, will be control of wages through the law and through a decentralised wages system which might also include right-to-work legislation destroying the closed shop.

The opinion polls clearly show the government is in deep trouble with the electorate. The whole Labor movement should be rallying around, assisting with damage control. Instead, we have the contemptuous throwing on the table of the ACTU productivity claim.

The government itself must get tough with the ACTU. It is entitled to. The unions must agree to discounting of wages for devaluation. The government has estimated that 100,000 jobs are capable of being created through devaluation. The ACTU's attitudes show to the country that it does not care about unemployment, only about making those in work better off.

The government is committed to reducing unemployment and creating more jobs. It must not bow to the ACTU. It is ridiculous if one half of the country--the business sector--must be responsive to the effects of devaluation for good or bad, but the union movement must not. We have a collision between a firmly regulated wages sector and an unregulated financial sector. There is no sane economic reason for this to continue.

CSO: 4200/1421

AUSTRALIA

TREASURER REVEALS 1985-86 BUDGET, YOUTH EMPLOYMENT AID

HK201258 Hong Kong AFP in English 1154 GMT 20 Aug 85

[By David Barnett]

[Text] Canberra, Aug 20 (AFP)--Australian Treasurer Paul Keating tonight announced the Hawke Labor government's 1985-86 budget, sharply reducing the deficit and providing funding for measures to stimulate youth employment.

The deficit at 4.9 billion Australian dollars (nearly \$3.4 billion U.S.) was 2.1 percent of the gross domestic product.

It compared with previous Labor government deficits of 6.7 billion Australian dollars (over \$4.6 billion U.S.) last year and 7.9 billion (\$5.4 billion U.S.) before that.

The reduction was bigger than expected because the government made no reduction in income taxation.

There were minimal increases in expenditure, mostly concentrated in measures to alleviate unemployment.

Mr Keating said that in the budget for the year ending June 30, 1986, the government would spend 70 billion Australian dollars (over \$48 billion U.S.) on a package of measures to stimulate youth employment.

The rate of unemployment is about 8 per cent but among young people it is about 25 per cent.

The package comprised a subsidy scheme designed to encourage employers to take on trainees, an increase in education allowances to the level of unemployment benefits to encourage young people to continue their education, and an increase of 20,500 in places at colleges and universities.

Mr Keating said the government would provide about 4,000 Australian dollars (\$2,700 U.S.) a trainee, payable to employers and to training institutions, with the aim of creating 10,000 places this year and 75,000 by 1988.

The budget met the pledges of restraint made by Prime Minister Bob Hawke while he was campaigning for reelection last year.

Outlays as a proportion of gross domestic product were reduced from 30.8 percent to 29.8 percent.

Revenues were held steady at 25.3 percent.

The third pledge in the trilogy was to bring down the deficit.

Mr Keating said the government would seek to have the national wage increase, which takes place twice a year on the basis of full adjustment to the consumer price index, discounted to take account of depreciation.

The Australian dollar fell by 20 percent on world currency markets earlier this year. Mr Keating's forecast of a 3d year of strong economic growth was based partly on the stimulatory effects of this decline in the Australian dollar.

In its economic assessments published as part of the budget papers, the Australian treasury warned of the economic risks of the "skewed mix of fiscal and monetary policies in the United States."

The treasury said that massive twin deficits on public and external accounts in the U.S. overhung the world recovery.

CSO: 4200/1421

AUSTRALIA

BRIEFS

THREAT TO PRICES ACCORD--The Australian Council of Trade Unions [ACTU] has warned that a government demand for discounting in the next wage rise could wreck the prices and incomes accord with the union movement. The ACTU president, Mr Dolan, says that would undermine the major economic achievements of the past few years. The government wants any wage rise to compensate for increases in the cost of living to take into account the drop in value of the Australian dollar. Both the prime minister, Mr Hawke, and the treasurer, Mr Keating, have said the trade union movement must accept the discounted wage rise for the 1985 budget to succeed. However, the ACTU executive said there is no possible justification for making wage and salary earners the only group in the country to suffer reduced living standards. It called for an increase of 3.8 percent at the next wage hearing to fully compensate for the recorded increase in the cost of living in Australia. Mr Dolan said the ACTU did not want to drop its agreement with the government restraining prices and incomes. He said, however, that if the government did not relent on the issue, a special union conference would determine action on the accord. [Text] [Melbourne Overseas Service in English 0430 GMT 23 Aug 85 BK]

PLAN TO EXPAND FORCES IN NORTH--The strength of the army's northern Australia Reserve Units--Norforce--is to be substantially increased. The chief of general staff, Lieutenant General Peter Gration, made the announcement during a visit to Darwin. He said Norforce, the first of the army's regional surveillance units, was formed 4 years ago with a strength of 280 personnel. He said since this time, units have been formed in the (Pilbur) region in Western Australia, and plans were released today for another unit to operate from Cape York Peninsula in northern Queensland. The number of men based in (Down) will increase to over 400 before the end of the year. Lt Gen Gration says the experiment in regional surveillance was one that has paid off for the army. He said it was very important that there was some means of surveillance over the very large land areas of the north, northwest, and northwest of the continent, and this was the most practical and efficient way to do it. [Text] [Melbourne Overseas Service in English 0830 GMT 21 Aug 85 BK]

CSO: 4200/1421

INDONESIA

NGUYEN CO THACH ON MEDIATORS FOR CAMBODIAN TALKS

BK301149 Jakarta MERDEKA in Indonesian 23 Aug 85 pp 1, 11

Excerpts Jakarta, Thursday 22 August MERDEKA--Indonesia could be a mediator in talks between the disputing parties in the Cambodian issue provided that it is neutral, not siding with either party.

Answering questions from newsmen at a news conference in the Foreign Affairs Department on Thursday evening, Vietnamese Foreign Minister Nguyen Co Thach added that another condition to becoming a mediator is that Indonesia should obtain approval from the two disputing parties.

Touching on proximity talks two preceding words in English and in italics, Foreign Minister Nguyen Co Thach said that his country prefers Malaysia's proposal bringing together Sihanouk and Heng Samrin, adding that Vietnam does not reject ASEAN's proposal but rather rejects some parts of it.

Foreign Minister Nguyen Co Thach mentioned several other countries which are qualified to become a mediator. They are Burma, Australia, France, Finland and Sweden.

Foreign Minister Mokhtar said that during two rounds of talks today, he and Foreign Minister Nguyen Co Thach agreed to halt the influx of refugees to several ASEAN countries despite their decreasing numbers compared to last year.

Mokhtar added that early refugees were real refugees, but the influx is economic refugees under the guidance of certain parties.

Mokhtar gave the example of a boatload of more than 100 persons calling themselves Vietnamese refugees who landed on an Indonesian island several months ago. "How could they have known that they would be resettled in third countries after landing on an Indonesian island had certain parties not directed them," Mokhtar asked.

The two sides agreed that any boatloads of persons calling themselves refugees would not be accepted but would be returned to their places of origin, Mokhtar said, adding that the influx has become an additional problem for Indonesia.

CSO: 4213/318

INDONESIA

DAILY ON HAWKE'S RECOGNITION OF EAST TIMOR

BK030549 Jakarta SINAR HARAPAN in Indonesian 24 Aug 85 p 6

[Editorial: "Australian Prime Minister Hawke's Recognition"]

[Text] We welcome Australian Prime Minister Bob Hawke's recognition of Indonesian sovereignty over East Timor, aired by the Indonesian television network on Tuesday [20 August] night, as a step forward, at least as far as the Australian Government is concerned. However, we never know whether the recognition is based on strategic considerations or, as Indonesian Ambassador to Australia Marpaung said, because Australia is facing a dilemma.

Prime Minister Hawke's statement was far different from what Foreign Minister Bill Hayden said shortly after the establishment of the Labor Party government in 1983, during which the Hawke government only "noted" the incorporation of East Timor into Indonesia. Now its stand has been upgraded into "recognition." By way of analogy, a university in Indonesia that has a "recognized" status is better than one only "registered" at the Education and Cultural Department.

Seen from the viewpoint of Indonesia, currently in a festive mood to celebrate its 40th independence anniversary, such recognition hardly produces any special impression because two earlier Australian Governments--namely the Gough Whitlam-led Labor Party government and the Malcolm Frazer-led Liberal Party government--already recongized the integration of East Timor into Indonesia.

Besides, with or without Bob Hawke's recognition, East Timor remains an integral part of the unitary state of the Republic of Indonesia, especially after the ratification of Law No 7/1976 dated 17 July 1976 concerning the unification of East Timor into Indonesia and the establishment of East Timor as an Indonesian province.

However, we cannot avoid any possible impact caused by Bob Hawke's statement, which may improve our position in the eyes of the international community. As one of our neighbors, Australia holds an important position in the process of finding a solution to the East Timor problem. It is worth noting that several countries in Southeast Asia and South Pacific, such as Vietnam and Vanuatu, though geographically near our country, have thus far opposed Indonesia in international efforts to solve the problem.

In connection with Bob Hawke's statement, an Australian Prime Minister's Office spokesman issued a clarification that the recognition of Indonesian sovereignty over East Timor is still in the context that "the integration of East Timor into Indonesia was done without the East Timor people having the chance to exercise their right of self-determination, which is internationally recognized."

The additional clarification indicates that Bob Hawke's recognition is not a "de jure," but only a "de facto" one.

As far as the East Timor problem is concerned, Australia's perception is indeed different from that of Indonesia. Indonesia believes that the statement issued by representatives of East Timor people from an East Timor regional legislative assembly session on 31 May 1976 constitutes a process of self-determination. This statement of determination had already been reported to the UN secretary general by the then East Timor Provisional Government head of state, Arnaldo Dos Reis de Araujo. When the people's representatives decided to integrate themselves with Indonesia, the process of self-determination in East Timor was in fact consummated. It is true that this act of self-determination did not produce a self-rule government, but not every process of self-determination must necessarily have such an outcome.

Even Australia itself has a similar experience with the Cocos Islands, located in the Indian Ocean. As is known, the inhabitants of the islands, the majority of which are of Malay descent, in fact preferred not to have their own government during the process of self-determination. Neither do they want to integrate themselves with the geographically nearer countries--they preferred to integrate themselves with Australia.

We can note something else from Hawke's statement--namely, that the Australian prime minister wants to demonstrate that his moderate faction in the Labor Party is still more dominant than a handful of leftwing members, who have frequently expressed negative views about Indonesia.

Prime Minister Hawke's statement deserves admiration as an expression of desire to forge further friendly ties with Indonesia and is in line with his remarks to a correspondent of this daily when he was elected head of state of the Kangaroo continent in March 1983. We consider him to be a consistent person and we hope he will remain that in the future.

CSO: 4213/320

INDONESIA

MERDEKA WELCOMES AUSTRALIA'S STAND ON TIMOR

BK310844 Jakarta MERDEKA in Indonesian 23 Aug 85 p 5

/Editorial: "Australia's Recognition"/

/Text/ Australia's stand on East Timor has become clear since the Hawke government recognized the territory as Indonesia's 27th province. The recognition will settle one sensitive problem in bilateral relations.

We would like to see real progress and quick action by both sides to overcome crucial issues that may affect and undermine their good-neighborly relations. Thus, harmonious relations between the two countries can be elevated to a more meaningful level in the future.

East Timor has become a strong stumbling block for Australia in facing Indonesia's geopolitical dilemma. The two nations should rejoice and take new steps for wise and prestigious relations now that the stumbling block has finally been eliminated. What Indonesia needs from Australia on the East Timor issue is not support or misunderstanding, but profound understanding. We waited patiently for years until complicated interaction in Australia's domestic policy, with its established principles, found a resolution to this issue affecting bilateral relations.

The Australian recognition, which came after 10 years, was supported by domestic and international factors; objective observation of regional development, and the reality in East Timor itself. Portugal objects to the Australian step only because of its incompetence in resolving the decolonization issue in the territory. This objection is a manifestation of its serious failure.

With the recognition, the Hawke government has taken Australia out of a serious political dilemma. In addition, it is a success for the Labor Government in protecting Australia's interests vis-a-vis its neighbors. Finally, the decision will contribute to the creation of a good political climate in Southeast Asia and the Pacific.

CSO: 4213/318

INDONESIA

EDITORIAL SAYS SRV 'HAS NOT BUDGED' ON CAMBODIA

BK301315 Jakarta THE JAKARTA POST in English 28 Aug 85 p 4

/Editorial: "Talking, But No Progress"

/Text/ Vietnamese Foreign Minister Nguyen Co Thach's 5-day visit to Indonesia last week came about at the time the United Nations is preparing itself for the September session of the general assembly and next week's nonaligned foreign ministers conference in Luanda. The visit therefore must partly be seen as an apparent effort by Vietnam to drum up support to unseat the Coalition Government of Democratic Kampuchea at the United Nations, and replaces it with the Hanoi-backed government of Heng Samrin in Phnom Penh.

Both the CGDK and Phnom Penh have, during the past few months, been trying to appear as the moderate side by offering what on the surface looks like an acceptable solution to the Kampuchea problem. The largest and strongest group in the CGDK, the Khmer Rouge, showed in a statement last July a willingness to sign a nonaggression pact with Vietnam after Hanoi withdraws its troops from Kampuchea. On its part, Hanoi (together with Vientiane and Phnom Penh) issued a joint statement on 16 August, setting a deadline for the withdrawal of Vietnamese troops from Kampuchea by 1990, and a willingness to discuss a Kampuchean national reconciliation program on the basis of "the elimination of Pol Pot."

At the end of Co Thach's visit here, Foreign Minister Mokhtar Kusumaatmaja told newsmen that he and his Vietnamese opposite number had in mind a possible compromise list of countries acceptable to both sides which might attend a limited international conference on Kampuchea. These are countries like France, Burma, Australia and Finland, which recognize neither the CGDK nor the Phnom Penh Government. But in the same breath he also said that Indonesia (read ASEAN) and Vietnam are still far apart from reaching a solution to the Kampuchea problem.

ASEAN wants to see Vietnam pull out its troops from Kampuchea, but Hanoi is adamant about discussing other things first.

Such a stand shows that Vietnam has not budged an inch from its stated position since it invaded Kampuchea in 1979.

Indonesia, which has been playing middleman between ASEAN and Hanoi, and has been trying to tone down the hardline states in the organization--Singapore and Thailand--has therefore failed to convince Vietnam that ASEAN means well. But Vietnam's insistence on remaining in Kampuchea, at least till 1990, might strain Indonesia's relations with ASEAN and will strengthen the position of the hardline states in the Southeast Asian grouping. One positive side from Nguyen Co Thach's visit, though, is that Hanoi is still willing to talk with ASEAN about the Kampuchea problem.

As long as doors to discussions still exist, there is still a means of communication between ASEAN and Vietnam to resolve the Kampuchea problem. And this constitutes another side of Nguyen Co Thach's visit here, apart from drumming up support to unseat CGDK from the United Nations.

CSO: 4200/1472

INDONESIA

SRV'S SITUATION IN CAMBODIA TERMED 'DIFFICULT'

BK311452 Jakarta Domestic Service in Indonesian 1200 GMT 31 Aug 85

[Unattributed commentary]

[Text] Even though Western observers always describe the CGDK as a government-in-exile, Prince Sihanouk on Wednesday, [28 August], as he has done before, received the credentials of ambassadors from friendly countries inside Cambodian territory. PRC Ambassador Zhang Dewei and Bangladesh Ambassador Enayetullah Khan presented their credentials to Prince Sihanouk at a ceremony at Dongrek, a Khmer Rouge camp located on the northwestern part of Cambodia near the Thai border. The event has proven that despite the Vietnamese forces' dry-season offensives against all Cambodian guerrilla bases, the CGDK, under the leadership of Prince Sihanouk, remains strong. The event obviously indicates that the upcoming UN General Assembly will again accept the credentials of the CGDK delegation.

After receiving the credentials of the PRC and Bangladesh ambassadors, Prince Sihanouk presided over a cabinet meeting on Thursday. A statement issued after the Cabinet meeting said that Cambodia needs peace to reconstruct the country and to improve the people's living standards. The Cabinet meeting was attended by Prime Minister Son Sann and Vice President Khieu Samphan. The statement reiterated that the coalition leaders fully support ASEAN's recent proximity talks proposal, calling for a dialogue with Vietnam in an effort to end the Cambodian conflict.

According to the CGDK, if Vietnam accepts the proximity talks proposal, it will amount to a major step toward a political solution to the Cambodian problem. Vietnam's acceptance to the proposal will be regarded as an important contribution to peace and security in the Southeast Asian region in particular and in the world in general.

As is known, Vietnam prefers to see talks between the CGDK and the Phnom Penh Government. Vietnam wants to see the talks take place because they will be tantamount to a legalization of its military intervention in Cambodia, strongly opposed by the CGDK as well as ASEAN.

Therefore, Vietnam is facing a difficult situation, unless it is willing to accept the ASEAN proposal. Furthermore, Vietnam's position is now being threatened by the thawing of relations between the PRC and the Soviet Union, which may affect Hanoi's interests.

INDONESIA

MOKHTAR ON SEA BOUNDARY WITH SRV, REFUGEE ISSUE

BK310730 Jakarta MERDEKA in Indonesian 24 Aug 85 p 1, 11

/Text/ Jakarta, Friday /23 August/, MERDEKA--Indonesia will still study a Vietnamese proposal for a joint exploitation and exploration zone along the sea boundary between the two countries.

Speaking to newsmen at the Foreign Affairs Department building at Pejambon today, Foreign Minister Mokhtar Kusumaatmaja said: "We should first study the proposal to judge whether it is favorable or unfavorable. Indonesia has a system different from Vietnam's. Thus, it may become complicated."

According to Mokhtar, Indonesia prefers a clear demarcation. However, he said that discussions on the sea boundary at the foreign ministerial level were encouraging because this issue should be urgently settled.

Asked about his talks with Foreign Minister Nguyen Co Thach yesterday, Mokhtar said that they discussed a solution to the Cambodian issue in addition to bilateral issues.

During the talks, Mokhtar said that a solution to the Cambodian issue should be based on 12 main points. However, not all the points were agreed upon. Accordingly, steps should be immediately taken toward an agreement on the 12 points.

According to Foreign Minister Mokhtar, his ASEAN counterparts are already familiar with the 12 main points because they were determined with input from the ASEAN member countries.

ASEAN wants the Cambodian issue to be settled on the basis of the total withdrawal of Vietnamese troops from Cambodia, while Vietnam wants de facto recognition of Cambodia.

On proximity talks /preceding two words in English/, Mokhtar said that Malaysia's proposal had been included in the ASEAN proposal. The 12 main points cover both direct and proximity talks.

The ASEAN proposal calls for "talks between the Cambodian coalition and Vietnam inclusive of the Phnom Penh Government" because the coalition has refused to hold talks with Phnom Penh.

Mokhtar considered ASEAN's policy on a solution to the Cambodian issue successful. "Let us imagine that the Cambodian issue may be settled only through the present ASEAN diplomacy," he said.

"The United States could not settle the Vietnam issue despite the use of its soldiers and thousands of tons of bombs in Vietnam," he added.

Indonesia holds that it will return every so-called Vietnamese refugee, Mokhtar said. He and Foreign Minister Nguyen Co Thach agreed on the issue yesterday.

"There are signs now that the refugee issue has become a moneymaking business. We do not want to be busy, while those masterminding the business are making profits."

However, Mokhtar said that the influx of illegal refugees to ASEAN countries will continue if Vietnam does not strongly discourage those trying to become refugees.

CSO: 4213/318

INDONESIA

LAWYERS DENY CHARGES IN DHARSONO TRIAL

HK291318 Hong Kong AFP in English 1151 GMT 29 Aug 85

/Text/ Jakarta, 29 Aug (AFP)--A blue ribbon team of lawyers today opened the defense of retired Indonesian Gen H. R. Dharsono, on trial for alleged subversion, saying he had been illegally arrested under an invalid law.

Mr Dharsono, 60, a former leader of the powerful Siliwangi Army Division and an ex-Secretary General of the Association of Southeast Asian Nations (ASEAN), is charged on six counts, including subversion which carries the maximum penalty of death.

The prosecution, in the trial's 1st day on 19 August, said Mr Dharsono had attempted to undermine the security of the state by attending clandestine meetings and by helping draft a white paper which called for an independent investigation into the handling of the Tanjung Priok riots in north Jakarta last September.

Mr Dharsono denied the charges on 19 August, and started proceedings today by reading a handwritten document in which he said he simply had been trying to fulfill the ideals of the promises of the Suharto new order government.

A crowd estimated at more than 500 people, some of them former generals and ex-cabinet ministers belonging to the dissident "group of 50," some students from inside and outside Jakarta and others members of General Dharsono's Siliwangi Division, attended the proceedings.

The crowd overflowed the small packed courtroom and several hundred sat and stood in a side alley listening to proceedings over a loudspeaker system.

In his plea, Mr Dharsono took issue with Armed Forces commander Gen L. B. Murdani who before parliament had indicated that brochures issued by the group of 50 and other figures were "at the root" of the Tanjung Priok riots and subsequent explosions in Jakarta.

Mr Dharsono said the brochures were meant not to denigrate the government or arouse hostility toward it but to open the eyes of the public to "the facts" so they could see the situation in "true" proportions.

He also said that in handling so-called subversion cases the prosecution seemed to be under the strong influence of the National Security and Order Restoration Command Kopkamtib. He said "Kopkamtib" could be considered the "scenario writer" with the prosecution toeing the line.

He also said he had been advised by authorities whom he did not name that his case could be dismissed if he asked for a pardon.

The defense lawyers, headed by human rights advocate Adnan Buyung Nasution, argued that their client had been arrested illegally and that the subversion law under which he was being tried was invalid because it had been introduced in 1963 as an emergency law.

The defense also called on the court to release Mr Dharsono on bail and read out a list of nine prominent political and military personalities, none of whom have been linked to Mr Dharsono, who had offered to act as bail guarantors.

They included journalist Mokhtar Lubis, three retired generals, a retired colonel, the widow of independence hero Gen Daan Yahya and a leading woman promoter of the arts.

The defense statement referred to a section in the prosecutor's charge sheet which listed a number of former cabinet ministers and ex-military leaders as also due to be brought to court soon on subversion charges.

It quoted attorney Gen Hari Suharto as saying he was "stunned at reading the names."

The prospective defendants listed included former Jakarta Governor Ali Sadikin, former Minister of Health Azis Saleh, former National Police Chief Hugeng Imam Santoso, former Acting President of the Indonesian emergency government Syafruddin Prawiranegara, former Prime Minister Burhanuddin Harahap and former Minister of Mines Slamet Bratana.

They were said to have attended meetings to discuss supposedly antigovernment activities.

The sympathetic crowd cheered the defense and applauded Mr Dharsono, shouting his name as he was led from the courtroom to a police van for transportation back to Salemba prison. Court proceedings are scheduled to resume 5 September.

CSO: 4200/1472

INDONESIA

BRIEFS

SUZUKI AT CENTER OPENING CEREMONY--Jakarta, 3 Sep KYODO--Former Japanese Prime Minister Zenko Suzuki Tuesday attended a ceremony to open a human resources development center on the eastern outskirts of Jakarta. Speaking at the ceremony Suzuki said he was pleased that the center has been built by drawing on the wisdom and technologies of both countries. Suzuki proposed the establishment of the center when he visited Jakarta in 1981 while he was Japan's prime minister. The center, built with Japanese aid totaling 3 billion yen, will be a base for educating vocational training experts. Indonesian officials said about 1,900 vocational training experts are now scattered throughout Indonesia and the government wants to increase the number to 5,000 by 1988. /Text/
/Tokyo KYODO in English 0942 GMT 3 Sep 85/

NAVY SEIZES FOREIGN BOATS--The Indonesian Navy has seized two foreign fishing ships, which were catching fish in the Indonesian eastern waters without licenses from the Indonesian authorities. A press statement from the navy said that when the fishing ships /words indistinct/, they first had attempted to escape. But, after having been given warning shots by the Indonesian destroyer, they finally surrendered and were then brought to the Indonesian Navy base in /name indistinct/ for investigations. Another Indonesian destroyer at the Indonesian waters has also chased a Vietnamese fishing ship, which was violating the Indonesian territory by catching fish without licenses. /Text/
/Jakarta International Service in English 0800 GMT 30 Aug 85/

SATELLITE OPERATION--The Palapa B-1 satellite has not been operating normally and providing communications, radio and television transmission services to all parts of Indonesia. In a news conference in Jakarta this afternoon, Minister for Tourism, Posts, and Telecommunications Ahmad Tahir disclosed that the Palapa B-1 satellite returned to its correct position at 0710 West Indonesian Time [0010 GMT] this morning. He said, however, that there is still a 0.04-degree inclination and delicate movements are being made to make the satellite reenter its original position, namely between a longitude of 107.95 and 108.5 degree east. Speaking to Radio Republik Indonesia, Minister Tahir said the satellite is now in good condition for further operations after its technical problems have been solved. Meanwhile, the director general of posts and telecommunications, S. Abdul Rakhman, said that 99 out of 131 geostations in Indonesia have reported that they can already receive signals transmitted by the Palapa B-1 satellite. He said that he had received this report at 0915 West Indonesian Time [0215 GMT] this morning and hopefully more stations will report their contacts with the Palapa B-1 satellite this afternoon. [Text] [Jakarta Domestic Service in Indonesian 0700 GMT 2 Sep 85 BK]

JPRS-SEA-85-144
20 September 1985

TERRORIST THREAT DISCOUNTED--Irian Jayan Governor Issac Hindom has made it clear that rural people should not fear the terrorist movement trying to disrupt peace in their areas because the GPK [Free Papua Organization, OPM, referred to by the Indonesian Government as the Movement to Disrupt Security, GPK] has no real strength. Governor Issac Hindom made the remarks when commenting on reports given by Jayawijaya District Chief Albert Dien in Wamena yesterday that GPK men were on their way to destroy a primary school in [name indistinct] subdistrict. The governor said the government has build schools, public health centers, and other facilities to improve the living standards of the people. Therefore, all facilities must be maintained and safeguarded well. He also called on the public in the area not to listen to any instigations because they will not be beneficial to (?development). [Text] [Jakarta Domestic Service in Indonesian 2300 GMT 2 Sep 85 BK]

CENTRAL JAVA, YOGYAKARTA SECURITY STABLE--The commander of the Diponegoro Fourth Military Region Command, Maj Gen Harsudigno Hartas, has said that the general security situation in Central Java and the Yogyakarta Special Region is stable and under control. However, he called for constant vigilance against extremist groups trying to use the situation to gather strength. The commander said this during a meeting with officers in charge of vital facilities at the hall of Diponegoro Fourth Military Region Command Headquarters yesterday. He stressed that the stable security situation in Central Java and the Yogyakarta Special Region should continue to be maintained and enhanced to make development proceed more smoothly. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 3 Sep 85 BK]

CSO: 4213/320

MALAYSIA

VOPM NOTES THAI CASUALTIES FROM LAND MINES

BK291301 (Clandestine) Voice of the People of Malaysia in Malay 2200 GMT
28 Aug 85

["Battle report"]

[Text] At the end of July, a large number of Thai reactionary soldiers launching a strategic circle and destroy campaign in the south, code-named 8502, against our army were killed or wounded while they were being transferred. They stepped on land mines planted by our army. On 24 June, a unit of enemy soldiers were transferred from (?Trang) in Thailand to a camp left by a unit of our army to take over patrol duties from soldiers stationed there. They stepped on land mines planted by our army in the jungle on the way to the camp. As a result, (?three) enemy soldiers were wounded.

[Passage indistinct] However, they could not avoid stepping on land mines planted by our army. The enemy soldiers stepped on powerful land mines from 1400-1800 that day on the way from the jungle. As a result, they suffered heavy casualties. Enemy helicopters were then sent [words indistinct] the dead and wounded enemy soldiers until 2000. The land mines hampered the movement of the soldiers. As a result, they could not carry out their duties that day. [Words indistinct] suffered further human losses after stepping on land mines on the way to a village.

It is understood that as many as 8 soldiers of the 2 enemy units were killed and 14 others wounded on the way to their respective destinations. Thus, our army wiped out more than 160 attacking soldiers in areas where the southern Thai military authorities were conducting their strategic circle and crush campaign in the south in the 5 months to the end of July.

CSO: 4213/319

MALAYSIA

OFFICIAL EXPLAINS NEED TO CONTROL THAI FISHING

BK271253 Kuala Lumpur BERITA HARIAN in Malay 22 Aug 85 p 1

[Text] Malaysia has clarified to Thailand that its legal action on foreign fishermen is only to safeguard the security of its national waters. Secretary General to the Ministry of Agriculture Datuk Alwi Jantan said that this year, 20 Thai fishing vessels were detained and legal action was taken against them compared to 13 vessels detained last year and some 25 vessels in 1983 for encroaching national waters.

According to the Fisheries Act of 1963, foreign fishermen found guilty of violating national waters will be fined 1,000 Malaysian dollars or face a 6-month jail term. He said: "When the Fisheries Act of 1985 takes effect, a maximum fine of 1 million Malaysian dollars will be imposed on foreign fishermen who encroach upon the country's territorial waters. Datuk Alwi Jantan said most of the boats detained had been blackmarked in efforts to check recurring violations.

Speaking to newsmen after holding discussions with Deputy Thai Foreign Minister Mr Prapat Limpraphan today, he announced that the Fisheries Department is currently setting up a joint agreement on guidelines for fishing between Malaysian and Thai fishermen in the Exclusive Economic Zone. He said the guidelines of the joint agreement will be further discussed by both countries' officials before it is presented at the ministerial level meeting this September. He said: "In principle, Malaysia and Thailand have agreed on joint fishing in the Exclusive Economic Zone. The government hopes that by the joint efforts, it will further aid our fishermen to learn about the technological aspect of fishing from their Thai counterparts." This will also overcome the Thai fishermen's problem of encroachment in Malaysian waters.

According to Datuk Alwi Jantan, before the Exclusive Economic Zone agreement, the deep sea waters became of interest to Thai fishermen. He said, "They have deep sea fishing equipment but their territorial waters are limited. Due to this, Thailand fears that its fishermen who encroach in Malaysian territorial waters will face legal action with the enforcement of the Exclusive Economic Zone regulations."

CSO: 4213/319

MALAYSIA

BRIEFS

AGREEMENT WITH INDONESIA--Malaysia and Indonesia signed a search and rescue operation agreement on 29 August on cooperation in bilateral operations. The head of the Civil Aviation Department, Mr Abdul Kuddus Ahmad, representing Malaysia, signed the agreement while Indonesia was represented by Chief of the Indonesian Search and Rescue Board Air Marshal (Esdono Indardo). Under this agreement, both sides can save lives by exchanging immediate information should any emergency occur during a flight. This will also form a reciprocal measure to carry out large-scale operation within each other's airspace. Malaysia will sign a similar agreement with Thailand next month. Discussions are currently being conducted on similar agreements with the Philippines and Brunei Darussalam. [Summary] [Kuala Lumpur Domestic Service in Malay 1230 GMT 29 Aug 85 BK]

CSO: 4213/319

PHILIPPINES

BRIEFS

COMMITTEE ON REHABILITATION OF FORMER REBELS--A 14-member committee is expected to sit down shortly to discuss how to carry out a new rehabilitation program affecting surrendered dissidents. President Marcos authorized the program to underline the government's national reconciliation policy. The president instructed the Defense Ministry and the office of Media Affairs to implement an effective information program on the rehabilitation plan. The Defense Ministry will also work out with local governments the establishment of processing centers for dissidents. The Justice Ministry will likewise form amnesty commission. /Excerpt/ /Quezon City Maharlika Broadcasting System in English 0400 GMT 29 Aug 85/

WORLD BANK SATISFACTION WITH MANILA PROJECTS--The World Bank is satisfied with the progress of ongoing projects in Metro Manila. This is according to Maruo Calaguio, finance commissioner of the Metro Manila Commission /MMC/. Calaguio, who is a BIR /Bureau of Internal Revenues/ division chief, said that a key World Bank official is in Manila to assess the progress of the MMC's urban renewal projects assisted by the World Bank /WB/. Calaguio returned this week from New York where he presented progress reports to WB officials on various projects in the national capital region. /Text/ /Quezon City Maharlika Broadcasting System in English 1100 GMT 29 Aug 85/

COMMUNIST ROLE IN LUZON RALLY--The recent mass protest actions in central Luzon against the government had been infiltrated by agents provocateurs of the Communist Party of the Philippines and the New People's Army. This was manifested in documents seized by the military following an encounter with subversive terrorists in San Simon, Pampagna last Saturday. The military said that Monday's march rally from the Pampanga provincial capitol to the regional headquarter in Camp Olivas was instigated by the Communist Party of the Philippines. /Text/ /Manila Far East Broadcasting Company in English 2300 GMT 28 Aug 85/

GUNS FROM SAN FRANCISCO--High powered guns were found yesterday by custom authorities in cargo which arrived at the Manila International Airport last Monday. Custom Police Chief Captain Pacifico Bautista disclosed that the guns were packed inside two cases, and consisted of pistols, .38 calibre revolvers and .45 calibre pistols and others. Preliminary investigations showed that the cargo came via Philippine Airline Flight FR 107 from San Francisco, California, and was consigned to Greg Perez of APO St, Quezon City. The cargo was intercepted while being taken out of the Philippine Airline warehouse by a man. [Text] [Dagupan City Dzd1 Radio in Tagalog 0445 GMT 21 Aug 85 HK]

NPA ROLE IN CHURCH ARSON--Authorities have taken custody of suspects involved in the attack on and burning of a church and a convent in San Roque Town, northern Samar. It was reported that the suspects poured gasoline around the two buildings. Armed Forces of the Philippines Regional Commander Salvador Mison ordered intensive investigations in order to find out whether the NPA was involved. The names of the suspects have not yet been disclosed. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 23 Aug 85 HK]

LUZON PEACE COUNCIL MEETING--The Peace and Order Council for central Luzon met in San Fernando, Pampanga. Defense Minister Juan Ponce Enrile attended the meeting, which discussed crime incidents in central Luzon. Among the recent violence was the murder of two policemen and a vice mayor. An extensive manhunt has been launched for the killers of the two policemen gunned down near the public market in San Fernando, Pampanga. The vice mayor was slain by robbers. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 23 Aug 85 HK]

CSO: 4211/87

THAILAND

DAILY URGES CREATION OF FISHING AGREEMENT

BK160411 Bangkok THE NATION in English 16 Aug 85 p 4

[Editorial: "Government Must Get Our Fishermen a Better Deal"]

[Text] The escalating dispute between Thai fishermen and Malaysia is not something new because Thailand has had similar problems with Burma frequently and even non-neighbouring countries like Vietnam and Bangladesh. Further, the imposition of the 200-mile economic zone, according to the Law of the Sea accord, has really made Thailand a sea-locked country, because our own economic zone is highly restricted by the economic zones of other countries.

Although Thailand ranks among the top fishing nations of the world, our fishermen are handicapped in that they are not able to ply their trade in international waters for long periods of time like, for instance, Japan and the Soviet Union whose fleet of trawlers are always accompanied by factory ships. As things become more and more difficult for our fishermen, we should consider the possibility of more modern fishing fleets.

The most recent problem with Malaysia arises from the fact that Malaysia is changing several laws and fishing in the waters of her economic zone is one of them. She has now mandatory death sentences for the illegal possession of firearms and for trafficking in drugs. As far as fishing is concerned, she has also imposed sterner punishments and according to the president of Songkhla Fishing Association, Kli Ruangsong, a Thai trawler caught in Malaysian waters can be fined up to 10 million baht.

Considering Malaysia is one of our best friends, and a fellow-member of ASEAN, it is best to take up the dispute at a higher level and conduct government-to-government negotiations. A joint fishing agreement with Malaysia should also be seriously thought about and the proposal made to Malaysia. Such an agreement will be of great value to Malaysia also since our fishermen are the best in this part of the world.

From a long term point of view, Thailand should also consider taking up the matter of fishing with all members of ASEAN. Thailand has tried to get into a fishing agreement with Indonesia but it did not go through because of disagreements over several details. Given time, patience and a lot of bargaining, we think that a fishing agreement could be worked out between the six countries that form ASEAN.

At the moment it is Thailand that suffers the most from the imposition of the various economic zones by our neighbours. But Thailand is the top fishing country of the region and neighbouring countries will stand to gain a lot from Thai experience and expertise in this matter. Our fishermen definitely need the support of the government because fishing is one of the major industries of the country and the government should leave no stone unturned to secure for them a better deal.

CSO: 4200/1424

THAILAND

TRADE NOTE HANDED TO U.S. CONGRESSIONAL TEAM

BK200740 Bangkok THE NATION in English 20 Aug 85 p 18

["Excerpts" of Thai Delegation's "Aide-Memoire" handed on 19 August to U.S. Congressional delegation led by Congressman Sam Gibbons, chairman of the House Ways and Means Subcommittee]

[Text] Thailand is a market-oriented economy that is fully integrated to the world economic system. We share the U.S. conviction that an open world trade system plays a crucial role in advancing global economic interests and world prosperity and should therefore be maintained and preserved. In this regard, Thailand, along with her ASEAN partners have repeatedly voiced deep concern over the rising tide of protectionism which has eroded the open world trade system and welcome an early preparation for the launching of the New Round of Multilateral Trade Negotiations.

Thailand fears that the recent surge of protectionism, particularly from the U.S. Congress will undermine the U.S. administration's efforts to liberalize world trade and cause the New Round of Multilateral Trade Negotiations to lose the momentum it had recently gained.

Thailand wishes to also express our distress and concern that this rise in U.S. protectionism, if not now strongly resisted, will seriously undermine the Thai economy and be counter-productive to the bilateral economic relations between Thailand and the United States. Thailand wishes to further point out that relations between Thailand and the United States are deep-rooted and multi-dimensional and that economic relations are an integral part of this totality. A set-back on the economic front would deal a serious blow not only to the political stability and security of this nation but would, because Thailand is a front-line state, also undermine the stability of this region, at the detriment of both our countries' long-term interests. Thailand therefore urges the U.S. Congress to resist the force of protectionism, and work with Thailand to minimize economic-related friction so that our bilateral economic relations can be further expanded for our mutual benefit.

This Aide-Memoire sets out the economic issues that are of great concern to Thailand. Of greatest concern is the pending Thurmond-Jenkins Bill because it will do irreparable damage to our key industry thereby seriously undermining our economic well-being. The bill, moreover, is clearly a most restrictive

bill that violates the MFA [Multifiber Arrangement] provisions and existing U.S. bilateral agreements.

Apart from discriminating against small and medium exporters, the bill will also provoke retaliatory actions whether consciously contemplated by U.S. trading partners or forced upon them by drastic reductions in their dollar earnings. Thailand feels that a renegotiated MFA that takes into account U.S. concerns will best serve the interests of all parties concerned in promoting orderly trade and preserving the existing multilateral framework for trade in textiles.

Thailand is also concerned that renewed efforts are underway to increase tariffs on Thai canned tuna exports. The CVD [expansion not given] investigations against Thai manufactured exports also have a disruptive effect by creating delays and uncertainties even though our exports of items concerned represent a negligible portion of total U.S. imports. We are also concerned that the recently introduced Bonus Incentive Commodity Export Programme (BICEPS) will adversely affect our agricultural exports in third markets and strain the already depressed, unstable and distorted world agricultural and commodity markets. Thailand further feels that reviews of U.S. sugar quota allocations and the new U.S. GSP [Generalized System of Preferences] scheme can be undertaken with a view to better reflect the interests of Thailand and other developing countries.

1. Thai-U.S. Trade

Two-way trade between Thailand and the United States is a major component of bilateral economic relations. Trade has been growing satisfactorily with Thai imports from the U.S. rising steadily to reach U.S.\$1.39 billion in 1984 and while exports had grown slowly between 1980-1983 (5 per cent on an annual basis), they have recovered in 1984 to reach U.S.\$1.28 billion.

It should be pointed out while the U.S. is an important export market and source of imports for Thailand, the opposite is not true. Thai trade with the U.S. is negligible, in relative terms, from the U.S. point of view. In 1984, U.S. exports to Thailand was only 0.5 per cent of total U.S. exports while Thai products sold to the U.S. account for 0.4 per cent of total U.S. imports. These figures suggest that the solution to the U.S.'s trade deficit cannot be found with Thailand. To illustrate this point more forcefully, it should be noted that even if Thailand ceases all exports to the U.S., this would help reduce the U.S. trade deficit by less than 1 percent.

2. Textile

1) Thailand is seriously concerned over the proposed Textile and Apparel Trade Enforcement Act of 1985 now pending before the U.S. Congress.

2) The purpose of this bill is to reduce imports of textile and apparel into the U.S. by a substantial percentage so as to allow the U.S. textile and apparel industries to regain profits and to arrest the rising trend of unemployment in this industrial sector.

3) Thailand believes that the assumptions behind the rationale for this bill are false.

4) Far from being overwhelmed by imports, investments and profits in this sector in the U.S. reached a record level in 1984, representing a 20 per cent increase over 1983. But for increasing use of labour saving machinery, employment would have also shown similar increases. While 1984 saw also an increase in imports, partly reflecting increased domestic expenditure and partly because of the strength of the U.S. currency, it has in no way substituted for domestic products, which continue to account for the greater share of the U.S. market.

5) At the same time, the practical result of the bill, if passed by the U.S. Congress, would not curtail imports significantly as countries mainly affected would be the small and medium suppliers, whose large percentage reduction would not translate into a large quantity in the absolute terms. The burden on small and medium suppliers can be seen from the following table.

Percentage estimated cutback	Market share in 1984	(value) Per cent	(SYE) x Per cent
Thailand	64.4	2.08	2.08
Indonesia	80.7	2.62	2.64
Hong Kong	17.0	10.3	10.33
China	59.1	9.73	9.75
Pakistan	41.2	2.98	3.00
India	22.2	2.49	2.49
Korea	35.1	13.00	11.48
Singapore	2.6	1.37	1.38
Philippines	21.2	2.37	2.38

x Square/yards/equivalent

6) Equally false is the claim that total imports should not exceed the level of growth of 6 per cent provided for the Multifibre Arrangement. This claim ignores the fact that the 6 per cent rate of growth is required only as a minimum in the case of products proven to have caused market disruption; the other products continue to be subjected to the market mechanism.

7) In the multilateral context, the bill contradicts the most important provision of the GATT since it discriminates among supplying countries by its exclusion of the member countries of the EEC, Canada and Mexico. At the same time, it ignores and negates the current U.S. commitments to the Multifibre Arrangement and calls into question the worth of all commitments by a major economic power.

8) Furthermore, the bill would induce other major importing developed countries to follow suit to protect their own markets from textile and apparel diverted for the U.S. market.

- 9) On a bilateral basis, the bill would violate bilateral agreements that have been entered into [as published] by the U.S. with all exporting developing countries, which provide for a mutually agreed procedure and solution of market disruption. In the case of Thailand, exports of Thai textile and apparel to the U.S. has been subjected to control and limitations since 1971 and the coverage has widened from one item to over 70 items currently.
- 10) The immediate effect of the passage of this bill on Thailand would be a drastic cut in income, foreign exchange earnings and employment well over 600,000 persons or a quarter of the total industrial work force. Total exports by the U.S. would be reduced by 15 per cent, thus further widening the trade deficit with the U.S.
- 11) The loss of income and capital generated by this drastic cut would invariably result in the reduction of imports into Thailand of the raw materials for this sector including cotton from the U.S. Imports for other industries and consumption would also be curtailed.
- 12) Thailand, therefore, urges the U.S. Congress to reject this bill and to consider the alternative arrangement based on a multilateral approach, which has always had the support of and been championed by the U.S. Negotiation on the future of the Multifibre Arrangement has already begun, and with the exception of a few countries, there was a general agreement that although the Multifibre Arrangement has fallen short of its objective of ensuring the orderly disruptive effects in individual markets and production in both importing and exporting countries, the arrangement has been useful.
- 13) Thailand fully supports the extension of the Multifibre Arrangement and will work for a multilateral solution to the serious difficulties facing both the developing and the developed countries.

3. Canned Tuna

The recent indication that there is a move to substantially increase a tariff on imported canned tuna, whether in water, in brine or in oil, has caused much concern in Thailand. The move is one of several attempts which have been made in various forms to restrict or even eliminate the importation of canned tuna from Thailand and other countries. Last year, proposals were made to increase the import tariff to the rate of 35 per cent from the current 6 per cent (imported within the quantitative limit) and 12.5 per cent (for those imported in excess of the limit). These proposals came after the decision of the International Trade Commission [ITC] that imports of canned tuna did not cause injury to the U.S. canned tuna industry.

The fact that the proposals failed to win Congressional approval is a clear testimony of the U.S. commitment to encourage a healthy international trading environment and development and has been welcomed by most exporting countries in the Third World. The renewed effort will certainly not be in the interest of the U.S. and the trading community at large.

4. CVD Investigations Against Thai Manufactured Exports

Thailand's economic growth in the past years owed much to the strength of the agricultural sector and diversified industrial development. The fast expansion in trade has played an important role in stimulating the economy and the means to finance imports of capital and consumption goods. Uncertainty in trade unavoidably disrupts trade and injures incomes and employment.

Thailand has recently experienced a series of allegations and investigations on our exports to the U.S. Two of our important exports, textiles and canned tuna, are examples of such cases. Investigation is now pending on our export of circular welded carbon steel pipes and tubes which accounted for less than 0.5 percent of total U.S. import in 1984. The Thai industries concerned feel that Thailand should not be made to bear an undue burden of U.S. domestic monetary and fiscal adjustment.

5. Footwear

The recent recommendation of the International Trade Commission to the administration to impose a 5-year global quota on imports of non-rubber shoes into the U.S., if approved, will seriously affect Thailand and many small exporting countries with less than 1 percent of total U.S. imports. While recognizing the ITC's determination and the concern of the U.S. Congress over the national economy, the proposed remedial action may not be in the long term interest of the U.S., generate misallocation of resources and price distortions in the U.S. market and effectively discourage the growth of independent producers in small exporting countries.

6. Bonus Incentive Commodity Export Programmes

Thailand, which relies heavily on agricultural exports as a main source of foreign exchange earnings, is gravely concerned over the U.S. commodity subsidy programmes such as the Bonus Incentive Commodity Export Programmes (BICEPS). We realize the BICEPS is aimed at regaining U.S. markets lost to EC subsidized exports. We are nonetheless concerned that the original objective may be overlooked and the scheme extended to affect other markets and some of our key exports as well as the possibility that the programme may become a permanent feature similar to the present disposal of grain stock through international bidding by Commodity Credit Corporation (CCC).

Thailand therefore wishes to seek U.S. assurances that the scheme will not apply beyond those U.S. markets which have been lost to the EC subsidized exports. We would wish to be informed of the direction of the application of the said programmes and request that prior consultation be held whenever Thailand's market may be threatened or affected.

Furthermore, Thailand is consistently concerned over the adverse impact on world trade in agricultural products of various U.S. commodity export promotion programmes either in accordance with the "Public Law 480," the "International Development and Food Assistance Act of 1975" or the "Payment-In-Kind."

We view these agricultural export subsidy policies as unfair trade practices in the same manner that the U.S. has imposed countervailing duties on our manufactured products. We wish this imbalance be redressed during the new round of multilateral trade negotiations.

7. Sugar

Thailand's sugar industry is heavily dependent on the world market. About 1.4-2.7 million tons or nearly 70 per cent of Thai sugar production are exported each year. Unfortunately, world sugar prices have been declining steadily and currently remains at a very low level. Thai cane farmers numbering about 200,000 families have been compelled to sell their canes at prices which are greatly below the cost of production for the past 4 years. Barring natural calamities or other acts of God which bring about high world prices, and with no outside help, the sugar industry in Thailand is certain to face immediate disaster.

The present situation had been aggravated by the U.S. imposition of quotas for sugar in accordance with the Proclamation of the Import Quota Programme since May 1982. Thailand's quota was reduced from a peak of 292,000 short tons in 1982 to 39,200 short tons in 1983 and 24,588 short tons in 1984. Thailand fails to understand the rationale behind such a sharp reduction and has continuously requested bigger quota allocation. But the response from the U.S. has been that to increase Thailand's quota would upset the formula used for global sugar allocation.

This attitude of finality taken by the U.S. towards a friend like Thailand is indeed discouraging. Thailand, therefore, would like to request the U.S. once again to seriously consider the possibility of reviewing the formulation used and introducing a more equitable and realistic base period for global quota allocations. Consequently, the quota allocated to Thailand will better reflect both its existing potential and its past performances prior to the May 1982 Proclamation. By so doing, the livelihood of approximately 200,000 Thai families of cane growers may be uplifted from their present dire state.

8. GSP

Thailand would like to express several reservations regarding the renewal of the U.S. GSP scheme. First, the new [scheme] is more restrictive than the previous one on, for example, a total exclusion of leather products, second, the GSP now demands reciprocity from beneficiaries which is unprecedented and contrary to the fundamental principle of the GSP which is designed as an instrument to assist industrialization efforts by developing countries. Certain reciprocity conditions such as the requirement for the protection of worker rights is highly questionable. Third, the review process currently being undertaken have imposed greater administrative burden in requiring more information in the processing of GSP requests. This would increase administrative costs and reduce the rate of GSP utilization.

Thailand therefore requests that the new GSP scheme be administered in a flexible manner consistent with the developmental goals and objectives of beneficiary countries.

CSO: 4200/1424

THAILAND

PAPER URGES ASEAN STAND AGAINST JENKINS BILL

BK090114 Bangkok THE NATION in English 9 Aug 85 p 4

[Editorial: "Solid ASEAN Stand Can Convince U.S. Delegation"]

[Text] The American Congress is in a bellicose mood and one cannot actually blame the members for it. A series of easy-going economic measures over many years has brought the country into the present predicament in which the world's most powerful economy is showing signs of tottering. The U.S. suffers a budget deficit of over \$200 billion and has an unfavourable balance of trade with numerous countries. With Japan alone the trade deficit last year was \$37 billion and it is expected to go up to \$50 billion this year.

A delegation composed of the representatives of the trade subcommittee of the powerful House Ways and Means Committee will be coming to Bangkok next week and its mood has been clearly reflected in Japan. Sam Gibbons, chairman of the trade subcommittee said frankly in Tokyo yesterday: "I must tell you we are at a crisis situation." Another delegate, Rep Carroll Campbell, was equally outspoken: "This is no longer a question of trade and economics. It is a political question and the people of Japan need to know it will be addressed politically."

In this mood, it will be difficult to appease the congressional delegation next week here. Thailand's main complaint is the bill proposed by Rep Edgar Jenkins and which if passed by Congress will result in the Textile and Apparel Trade Enforcement Act of 1985. The 'Jenkins Bill,' if passed, will eliminate more than 60 percent of current Thai textile exports to the U.S. It has also been reported it will affect the families of nearly 600,000 Thai workmen engaged in the textile industry.

But however irritable the mood of the delegation is, it must be able to differentiate between such an economic giant as Japan and developing Third World countries like Thailand. The effect of the 'Jenkins Bill' will be disastrous and the first to realize this and take positive action about it was the American Chamber of Commerce in Bangkok. Now it is clear to Thai officials that it will be difficult to dent the recalcitrant stance of the delegation.

So Thailand has correctly decided to invite the cooperation of fellow-members of ASEAN so that a united case can be presented. Thailand has therefore

invited the other economic ministers of ASEAN to meet conjointly with Chairman Gibbons and his delegation and present a well-prepared case. Japan is not going to be affected much by opening her markets to American goods and reducing her exports. But Thailand, as well as other ASEAN countries, have never closed their markets to American goods. Actually, limited by our available resources, Thailand imports as much industrial goods from the U.S. as possible.

The delegation that is coming here will have an important role to play in the House of Representatives, which controls the purse strings of the U.S. economy, in enacting the forthcoming protectionist legislations--let's face it, there are going to be some. But the 'Jenkins Bill' will have a negligible positive effect on the U.S. economy but the effect on Thai economy will be extremely injurious.

CSO: 4200/1424

THAILAND

PREM ORDERS TASK FORCE TO MONITOR ECONOMY

BK200129 Bangkok THE NATION in English 20 Aug 85 pp 1, 3

[Text] Prime Minister Prem Tinsulanon yesterday ordered the formation of a special monitoring task force to keep a close watch on the country's economic performance in the wake of the "Singapore's lesson."

The National Economic and Social Development Board was assigned by the premier during yesterday's weekly meeting of the Council of Economic Ministers to set up the working group comprising experts and experienced persons to monitor and seek solutions to the country's economic problems. The Finance Ministry and Bank of Thailand were told to work closely with the working group.

Government Spokesman Trairong Suwannakhiri said that Prime Minister Prem told the meeting before the official deliberations that Thailand should take stock of her economic position in view of the problems that have plagued neighbouring countries. He cited the case of Singapore which has, despite earlier high growth rates, plunged to a minus-growth position, forcing the island republic's leaders to conduct some serious soul-searching.

"I would like us to examine ourselves more carefully in terms of the economy and to map out measures to rectify various economic problems including business problems that are facing us in the short run while also looking into the future as well," the spokesman quoted the prime minister as telling the Cabinet members yesterday.

Singapore Prime Minister Lee Kuan Yew said recently that the island republic's economy had plunged to the lowest point since the country achieved independence 20 years ago.

Lee said in a national day speech earlier this month that for the first time, he had to sound an alert. He said Singapore had minus 1.4 percent growth in the second quarter. It had been provisionally calculated at zero 2 weeks earlier, he said.

Lee told his fellow countrymen: "Now, the June data have come in. The outlook is poor. Our economists have revised their forecast to zero growth for the whole of 1985 provided the U.S. economy picks up. Otherwise, negative growth is likely."

CSO: 4200/1424

THAILAND

OFFICIAL REPORTS ON MEKONG PROJECTS TO HELP POOR

BK100228 Bangkok THE NATION in English 10 Aug 85 p 3

[Text] Various projects approved by the Interim Mekong Committee recently would benefit Thai people living in the northeastern region, a senior Thai official said yesterday.

Secretary of the National Energy Administration Praphat Premmani told reporters that among the 15 projects endorsed by the committee, five of them were proposed by Thailand with a view to improving the standard of living of poor people living in the northern region.

He said the committee approved the supplementary studies for Pha Mong Dam, which still requires a lot of financial assistance from the international community.

The committee also supported the Huai Mong Dam project in Nong Khai Province and a water pumping project in Maha Sarakham--two water control projects for agricultural schemes which require about 600 million baht and 24 million baht investment respectively.

Belgium has given 362 million baht in grant to the Huai Mong Dam project, while the committee is seeking about 280 million baht in additional assistance from the European Economic Community. "The project, after completion, will be able to provide sufficient water, through extensive irrigation networks, to more than 51,000 rai of arable land in the northeastern region.

Another project included the 30 million baht fish farm production centre at Sirithon and Lam Dom Noi in Ubon Ratchathani.

Praphat also said that the Australian Government has promised to provide about 7 million baht assistance toward project formulation and creation of detailed designs for the integrated development of the Lam Dom Noi land settlement, which will increase the income and standard of living of the people in the region.

CSO: 4200/1424

THAILAND

GENERAL ON LETTING MALAYSIAN TROOPS CROSS BORDER

BK080207 Bangkok THE NATION in English 8 Aug 85 p 3

[Text] Deputy Commander of the Fourth Army Region Maj Gen Panya Singsakda proposed yesterday that Malaysian troops should be allowed to enter Thai territory in Thai-Malaysian combined operations to repress insurgents of the Communist Party of Malaya (CPM).

He told reporters that such combined operations could be mounted in accordance with the bilateral agreement on military cooperation.

"The combined operations would reduce the rate of casualties suffered by Thai troops in cracking down on CPM guerrillas," he said.

For this reason, he said, he would put forward the proposal for the resumption of combined operations with his superior.

The combined operations had earlier been replaced with "coordinated operations" following complaints from Thai residents in the south of various offences committed by Malaysian troops in Thai territory.

Maj Gen Panya said that the Fourth Army Region continued to keep up military pressure on CPM guerrillas pending negotiations over their surrender.

"This way, most of our casualties resulted from our military initiatives against the insurgents, and not their initiatives," he said.

He charged CPM negotiators with pursuing delaying tactics over the terms of their surrender.

The surrender rate for CPM insurgents is still lower than those of southern Muslim separatists and Thai communist insurgents, according to Maj Gen Panya. He added most of those surrendering were born on Thai soil.

The regional army deputy commander said the National Security Council (NSC) might review its policy over the surrender of CPM elements on Thai soil.

"The NSC in evaluating the efforts by the Fourth Army Region to persuade CPM elements to defect to the government. If we successfully carried out our concept, then the NSC will raise no objection to a change of the policy," he said.

The NSC has set as a condition that CPM defectors to be given farmland must be able to prove their Thai nationality. The Fourth Army Region wants more incentives for the insurgents to surrender. Maj Gen Panya said he disagreed to the proposal to grant Thai citizenship to CPM defectors who are Malay but said that they should be allowed to live on Thai soil.

About half of the people affiliated with the CPM are Malay nationals while the other half were born in Thailand, according to the deputy commander.

CSO: 4200/1424

THAILAND

BRIEFS

INDOCHINESE REFUGEES INCREASE--A total of 7,602 Indochinese refugees arrived last month in Asian countries, including Japan and South Korea, an increase of 71 per cent over the previous month, the UN refugee office in Bangkok said yesterday. Laotians topped the arrival figures, with 5,133 crossing to Thailand, the office of the UN High Commissioner for Refugees (UHCR) reported. [Text] [Bangkok BANGKOK POST in English 19 Aug 85 p 3 BK]

ASEAN IMPORTS TARIFF CUTS--The Cabinet yesterday approved a proposal for tariff cuts for imports of five products from ASEAN countries by 25 per cent of their respective rates. The products are powdered milk, wheat, steel, insecticides and engine components. They are among 11 items sought by ASEAN under the preferential tariff treatment scheme. [Text] [Bangkok THE NATION in English 21 August 85 p 3 BK] Thailand, in cooperation with other members of the ASEAN to widen their markets has agreed to reduce customs duties by 20 per cent for five ASEAN imports and the Finance Ministry is considering to grant a 25 per cent reduction in customs duties for certain imports the value of which is in excess of U.S.\$10 million. A Finance Ministry source said yesterday that the five products to receive a reduction of import duty are soya sauce or teriyaki barbecue sauce, dental alloy, bags of synthetic material, jackets of leather, and ethyl alcohol. The source said that the reductions will be retroactive to May this year. [Summary] [Bangkok BANGKOK POST in English 22 Aug 85 p 17 BK]

PRC TOP ZINC BUYER--China has become a major buyer of zinc metal from Thailand and has bought 155 million baht worth of zinc ingots from Pha Daeng Industry Col Ltd during March to July. The Industry Ministry said yesterday that Pha Daeng, which started production of zinc ingots last October but only have full output in January this year, has turned out 35,207 tons as of July. Of the total, 10,458 tons were consumed locally worth 281.7 million baht while 11,611 tons were exported worth 282.2 million baht. China has bought 6,302 tons representing 54 per cent of the total export. It is followed by India, Bangladesh, Malaysia, South Korea, Taiwan, Singapore, Hong Kong, Indonesia, Japan, Britain and the Philippines. [Text] [Bangkok THE NATION in English 22 Aug 85 p 25 BK]

JAPANESE BUY CORN--The Japan Feed Trade Association yesterday agreed to make a trial purchase of about 10,000 tons of Thai maize from two leading exporters. The purchase was described as a "breakthrough" because Japan--once Thailand's

largest maize buyer--has not bought any Thai maize for 4 years. It came after 2 days of talks between a visiting JFTA delegation and representatives of the two exporters. The JFTA team has carried out extensive inspections of the exporters' silos and maize-loading facilities. The maize covered in the agreement has been priced at U.S.\$112 (about 3,000 baht) per ton C&F. It is scheduled for shipment in October with the exporters making the necessary transportation arrangements. [Excerpt] [Bangkok BANGKOK POST in English 21 Aug 85 p 17 BK]

AUSTRALIAN DEVELOPMENT AID--Thailand will receive an Australian aid worth about U.S.\$465 million next year out of the U.S.\$19,440 million overseas development assistance. Australian Foreign Minister Bill Hayden said that the government's overall policy of budgetary restraint precluded any greater increase in aid this fiscal year. [Excerpt] [Bangkok THE NATION in English 23 Aug 85 p 5 BK]

JANUARY-JULY EXPORTS UP--About 115,000 million baht worth of goods were exported during the first 7 months of the year--an increase of 16 percent over the same period last year, the deputy director-general of the Business Economics Department reported yesterday. Kroekkrai Chiraphaet said the 7-month figures represent 56.6 percent of this year's overall export target of 203,000 million baht. Among the major export items whose values increased were garments (33.9 percent), rubber (9 percent), jewelry (15.1 percent), integrated circuits (16.4 percent), sugar (40.8 percent), canned seafoods (39.4 percent), fabrics (22.4 percent), tin (3.9 percent), canned pineapples (18 percent) and frozen shrimps (19.2 percent). Exports which registered a decline in value were rice, tapioca products and maize. According to Customs Department statistics, a total of 98,993.8 million baht worth of goods were shipped out during the first half of the year, up 13,509.7 million baht or 15.8 percent over last year. [Excerpts] [Bangkok BANGKOK POST 23 Aug 85 p 21 BK]

DROUGHT DAMAGES CROPS--Nakhon Ratchasima--More than two million rai of rice-field and arable land in most districts here have been damaged by a severe drought. Governor Sombun Thaiwatcharama said yesterday that the worst drought in a decade has hit 16 of 20 districts, and two sub-districts of the province. He added that 625,000 rai of paddy fields and 1.7 million rai of jute, cassava, and corn fields have been damaged. The provincial authorities had set up a task force to deal with the problem and had sent 165 units of water pumps to the affected area, the governor said. He added that the province also allocated about one million baht emergency fund to help alleviate the hardship of the farmers. Meanwhile, provincial agricultural official Suchat Phayaknan said he had made a request to the Royal Artificial Rain Making Unit for help. [Text] [Bangkok THE NATION in English 22 Aug 85 p 2 BK]

AGREEMENT WITH CHINESE COMPANY--A local metal casting firm yesterday signed an agreement to exchange technology with a Chinese firm for 5 years, the first bilateral cooperation pact at the private sector level. Sang Charoen Foundry Industrial Co Ltd signed the accord with China National Machinery and Equipment Import and Export Corp, Guangdong Branch, and Guangdong Machine Building Industrial Bureau. Chairman of Sang Charoen Group, Huat Wongsawat, said that the pact is the first phase of technological cooperation between the firm and the Chinese side. China will provide metal casting and foundry technology for machinery used in sugar mills, paper mills, chemical plants, cement, mining and

auto parts. The Chinese side will send six engineers to the Sang Charoen factory. The agreement calls for benefit sharing at a ratio of 80:20 for Thai and Chinese partners. [Excerpt] [Bangkok THE NATION in English 14 Aug 85 p 17 BK]

CSO: 4200/1424

MILITARY AFFAIRS AND PUBLIC SECURITY

HANOI SENTENCES 7 SPECULATORS TO 1-4 YEARS

HK221254 Hong Kong AFP in English 1238 GMT 22 Aug 85

[Text] Hanoi, Aug 22 (AFP)--Seven speculators have been jailed for up to 4 years in the first such case since the government introduced new regulations on wages and prices to clamp down on black market dealings, the Hanoi MOI newspaper said today.

The 7, who were given jail terms of between 1 and 4 years and heavy fines yesterday, had raked in \$6,000 in an operation to channel material from a state shop to the free market, the newspaper said.

The crime was "all the more serious for the fact that it comes just as the government is implementing the reform of prices and wages," the paper said.

The new measures, introduced at the beginning of this month, apply in about 30 of Vietnam's 41 provinces, including most of the big cities.

Food and clothing coupons, which used to be given in lieu of a portion of workers' wages, have been abolished and cash wages correspondingly boosted.

State market food prices have been set at least related to free market prices. The measure, which Vietnamese media have been at pains to explain over the past few weeks, is aimed at "abolishing bureaucratic machinery" weighing down the Vietnamese economy, officials here said.

Vietnamese leaders have said the moves also aim at curbing the scope for black marketeering and speculation by doing away with the big discrepancy between state market and free market prices.

Hanoi MOI said today that the black marketeers were beginning to operate new schemes under the new system, and observers here said yesterday's trial could be the first in a series of examples to dissuade speculators.

CSO: 4200/1422

INTERNATIONAL RELATIONS, TRADE, AND AID

INDOCHINESE COMMUNIQUE HAILED IN CUBA, CSSR, MPR

OW221630 Hanoi VNA in English 1510 GMT 22 Aug 85

[Text] Hanoi, VNA, August 22--The Cuban Foreign Ministry on August 17 released a statement expressing full support for the communique of the 11th conference of the Indochinese foreign ministers.

The statement noted: "The communique is another consistent effort and initiative of the Indochinese countries aimed at achieving peace and stability in the region and seeking negotiated solution to the Kampuchea issue."

It said that the policy of good neighbourliness, mutual respect and peaceful co-existence of the three fraternal Indochinese countries and their proposal for constructive talks to find a solution acceptable for all the sides involved, have won the sympathy and support of the world public and are considered an effective contribution to easing tension in southeast Asia and to the maintenance of world peace.

The statement stressed: "The proposals advanced by the conference indicate the three Indochinese people's big achievements in the struggle for the defence of national sovereignty and building a new society, and reaffirm the irreversibility of Kampuchea's revolutionary process."

Czechoslovak First Deputy Foreign Minister Rehorek, in his meeting in Prague on August 19 with Vietnamese Ambassador Vu Song and Kampuchean charge d'affaires A.I. Eng Ieng, voiced full support for the proposals and efforts of the foreign ministers' conference of the three Indochinese countries aimed at strengthening peace, stability and cooperation among southeast Asian countries.

The Czechoslovakia-Vietnam Friendship Association on August 20 released a statement expressing strong support for the results of the 11th conference of the Indochinese foreign ministers.

Mongolia radio on August 20 noted: "The fraternal countries on the Indochinese peninsula unwaveringly advocate a peaceful settlement of disputes in the relations among countries in the region. At the same times, Vietnam, Laos and Kampuchea are determined to struggle for their national interests, and to deal well-deserved return blows at sabotage acts of imperialist and reactionary forces.

"These proposals of the conference are aimed at lessening tension in the region and create favourable conditions for a peaceful settlement of outstanding problems in southeast Asia.

"The conference is yet another demonstration of the three Indochinese countries' good will and sincere desire for peace and stability, which meet the interests of the nations in southeast Asia and the world."

CSO: 4200/1422

INTERNATIONAL RELATIONS, TRADE, AND AID

WORLD PUBLIC HAILS INDOCHINESE CONFERENCE OUTCOME

OW221125 Hanoi VNA in English 0743 GMT 22 Aug 85

[Excerpts] Hanoi, VNA, August 21--"We fully support the important peace proposals and initiatives advanced by the 11th conference of the Indochinese foreign ministers, Afghanistan's Foreign Minister Shah Mohammad Dost told Vietnamese Ambassador Van Ba Kiem in Kabul on August 18.

Shah Mohammad Dost, who is also a member of the Central Committee of the People's Democratic Party of Afghanistan, said he particularly welcomed the decision on the complete withdrawal of Vietnamese Army volunteers from Kampuchea in 1990 and the desire for national reconciliation of the People's Republic of Kampuchea on the basis of the elimination of the Pol Pot clique.

He said: "The Democratic Republic of Afghanistan warmly welcomes and highly appreciates the tireless efforts of Vietnam, Laos and Kampuchea for peace, stability and cooperation in southeast Asia. These important decisions manifest Vietnam's selfless assistance full of noble internationalism to Kampuchea and reaffirm the irreversible situation in Kampuchea.

"We sincerely join the three Indochinese countries in the joy of victory. We strongly condemn the hostile forces for seeking by hook or by crook to distort and sabotage the peace efforts of Vietnam, Laos and Kampuchea. We believe that the only way to settle the present tension in southeast Asia is to quickly and positively meet the proposals and initiatives put forward at the Phnom Penh conference by all sides concerned."

While receiving Vietnamese Ambassador Nguyen Khac Quynh on August 16, Gue Buda, Political Bureau member of the Frelimo Party and minister at the presidential palace, said: "These are very important decisions and proposals of the three fraternal Indochinese countries. This new step is a result of the three countries' efforts and victories. It is a demonstration of the three Indochinese countries' good will and desire to settle the Kampuchea issue and bring peace and stability to southeast Asia, meeting the aspiration of the Indochinese peoples and Vietnam's fraternal and friendly countries including Mozambique.

"I believe that these decisions and proposals of the three countries will open up a process of talks between the parties concerned in order to reach early agreement, as proposed by the three Indochinese countries."

On the same day, Ima Homed Khan of the leading board of the Mozambican Foreign Ministry, meeting with the Vietnamese ambassador, said: "I greatly rejoice at learning the results of the conference of the three Indochinese foreign ministries. The proposals advanced by the conference are very important to Vietnam, other Indochinese countries and Mozambique because ours is a common struggle. Mozambique, together with Vietnam, always supports the Kampuchean people's just cause. We are convinced that these proposals will strongly promote the process of talks to settle the outstanding problems relating to southeast Asia and Kampuchea, bringing peace to the region and especially Vietnam. Vietnam wants peace 10 times more than the others, so we warmly welcome this inspiring event."

While receiving in Sofia on August 20 Vietnamese Ambassador Hoang Trong Nhu and Kampuchean charge d'affaires A.I. Kanphum, I. Popov, deputy foreign minister of the People's Republic of Bulgaria, reiterated Bulgaria's full support for Vietnam, Laos and Kampuchea's efforts to settle outstanding problems in southeast Asia through dialogue in order to turn this region into one of peace, good neighbourhood and cooperation.

He said he considered the proposals put forward at the conference an important step in promoting the said trend.

CSO: 4200/1422

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

MEETING IN JAKARTA--Vietnam regards next week's meeting in Jakarta between Indonesian Foreign Minister Professor Mokhtar Kusumaatmaja and his Vietnamese counterpart, Mr Nguyen Co Thach, as a new step toward finding a negotiated settlement to the Kampuchean problem. The Vietnamese ambassador to Malaysia, Mr Nguyen Can, told a news conference in Kuala Lumpur that this is the first time ASEAN will be talking with Vietnam on the matter. He pointed out that the past meetings between Mr Nguyen Co Thach and other ASEAN foreign ministers were on a bilateral basis. On the proximity talks proposal put forward by ASEAN recently to settle the Kampuchean question, Mr Nguyen Can said that unless the [word indistinct] issue involving the parties taking part in such talks was agreed to by both sides, it will remain a deadlock. He reiterated that Vietnam welcomed the original Malaysian proposal for proximity talks in the sense that the fate of Kampuchea should be discussed and decided by the Kampuchean people themselves. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 19 Aug 85 BK]

EMBASSY BUILDING EXPANDED--Jakarta, Aug 20 (AFP)--Vietnam is rebuilding and expanding its embassy here from the existing small house to a large two-storey building, an embassy spokesman said today. Embassy Third Secretary Luu Van Dong said the new building would house a defence attache's office as well as staff residences. Vietnam, which has closer relations with non-aligned Indonesia than its other non-communist neighbours, currently has a staff of seven in Jakarta. [Text] [Hong Kong AFP in English 0531 GMT 20 Aug 85 HK]

SRV ENVOY RECEIVED--Hanoi VNA August 22--Indian Prime Minister Rajiv Gandhi on August 21 received in New Delhi Hoang Anh Tuan, Vietnamese ambassador extraordinary and plenipotentiary to India. In his talk with the Indian prime minister the Vietnamese ambassador stressed the Vietnamese Government's and people's determination to do their utmost to consolidate and develop the fine friendship and cooperation between the two countries, and renewed the invitation to the Indian prime minister to visit Vietnam. He also briefed the later about the results of the 11th conference of the foreign ministers of the three Indochinese countries held recently in Phnom Penh, especially the decision to withdraw all Vietnamese Army volunteers from Kampuchea in 1990 and the earnest desire of the governments and people of the Indochinese countries to build southeast Asia into a region of peace and stability. Prime Minister Rajiv Gandhi asked the Vietnamese ambassador to convey his best regards to Chairman Pham van Dong and expressed his wish for further development of the fine re-

lationship between the two countries. He said that the Indian Government is ready to cooperate and help Vietnam in all fields according to its abilities. He thanked Chairman Pham van Dong for the invitation, saying that he would visit Vietnam at a time convenient to both sides. [Text] [Hanoi VNA in English 1551 GMT 22 Aug 85 OW]

NICARAGUA WELCOMES INDOCHINESE PROPOSALS--Hanoi VNA August 22--"Nicaragua fully supports the stance of the three Indochinese countries and believes that their new proposals will help to bring peace and security to the region," said acting Foreign Minister of Nicaragua Victor Hugo Tinoco, while receiving Vietnamese Ambassador Nguyen Dinh Bin on August 20. The Vietnamese ambassador informed him about the 11th conference of the foreign ministers of Kampuchea, Laos and Vietnam held recently in Phnom Penh, and gave him a copy of its communique. Tinoco warmly welcomed the proposals of the three Indochinese countries, saying they are important initiatives reflecting a correct, flexible and well-meaning stance suited to the situation in southeast Asia. [Text] [Hanoi VNA in English 1546 GMT 22 Aug 85 OW]

HANOI CITES INDIA'S GANDHI--Indian Prime Minister Rajiv Gandhi has declared that the Indian Government is ready to cooperate with and help Vietnam in all fields. He made this declaration while receiving Vietnamese Ambassador Hoang Anh Tuan in New Delhi Wednesday. At this reception, Hoang Anh Tuan briefed the Indian prime minister about the result of the 11th conference of foreign ministers of the three Indochinese countries held recently in Phnom Penh, especially the decision to conclude the total withdrawal of Vietnamese volunteer forces from Kampuchea by 1990 and the only desire of the governments and people of the Indochinese countries to build Southeast Asia into a region of peace and stability. [Text] [Hanoi International Service in English 1000 GMT 23 Aug 85 BK]

VIETNAMESE GUEST RECEIVED--Hanoi VNA August 24--G. Goetting, president of the GDR League for Friendship among their peoples, received in Berlin Thursday Trinh Ngoc Thai, secretary-general of the Vietnam Committee for Solidarity and Friendship with other peoples currently on a visit to the German Democratic Republic. The two sides discussed measures to further promote bilateral cooperation. [Text] [Hanoi VNA in English 1542 GMT 24 Aug 85 OW]

CSO: 4200/1422

PARTY ACTIVITIES AND GOVERNMENT

HOANG TUNG WRITES ARTICLE ON AUGUST REVOLUTION

OW210941 Hanoi VNA in English 0701 GMT 21 Aug 85

["A Dynamic and Well-organized Revolution"--VNA headline]

[Text] Hanoi, VNA, August 21--Following are excerpts from an article by Hoang Tung, secretary of the Communist Party of Vietnam Central Committee, published in the daily NHAN DAN on the general uprising in August 1945 which led to the founding of the Democratic Republic of Vietnam:

The Vietnamese people rose up in arms at a time when the Japanese Fascist Army remained intact in Vietnam but its fighting will had collapsed. The revolution seized this opportunity to neutralize it while concentrating all forces on smashing the puppet administration's ruling machine from its nerve centres in Hanoi, Hue and Saigon (now Ho Chi Minh City) to the cities, provinces and even villages, established a revolutionary power, armed the masses, quickly increased the revolutionary army and organized the people's security force.

The August general uprising can be rightly compared to a blossoming forest, begun and concluded at the right moment. It was almost bloodless because of its overwhelming strength. This strength had been accumulated over 15 years through many general rehearsals.

The armed forces in the resistance bases throughout the country and the national salvation self-defence brigades which had developed quickly after the Japanese coup d'etat to overthrow the French in March 1945 exerted a great political effect. The party Central Committee meeting and the National Congress of the people held at Tan Trao (now Bac Thai Province) on August 13 was a very timely act of a historic significance.

The victory of the revolution created a new strength and the condition for the revolutionary power, on behalf of the Vietnamese nation, to cope with the imperialists and smash the reactionary forces inside the country.

Dismayed at their failure to adequately evaluate the Vietnamese people's revolutionary abilities and their coming behind time, the imperialists quickly coordinated their plans and forces in an attempt to reverse the tide and turn back a victorious worker-peasant revolution in a colony which constituted a major threat to imperialism as a whole.

Britain helped the French to return to South Vietnam and establish a stooge administration while the United States sent troops of the Chinese reactionaries into North Vietnam with a view to overthrowing the revolutionary administration and bringing the reactionaries to power.

But these schemes were quickly foiled. Taking advantage of the temporary truce to prepare for war, the French many times tried to use force to overthrow the revolutionary administration, but finally they failed completely in a protracted war.

The U.S. imperialists, for their part, thought that as an unchallenged big power they could crush the Vietnamese people's fight without much difficulty. But the arduous confrontation in Vietnam and Indochina as a whole revealed the limits of their strength. Continuing the policy of the Chinese emperors and Chiang Kai-shek, the Beijing expansionists schemed to "fill the vacuum" left by the imperialists and directly attacked Vietnam at a time when the Vietnamese people had just come out of two long wars spanning 30 years in an attempt to place the three Indochinese countries under their control as a first step towards the realization of their strategy of dominating southeast Asia. Putting themselves in the French and U.S. shoes, China could not avoid dismal failure. Its nature and limitations have been exposed in the eyes of the whole world.

Our people have displayed superb dynamism and creativeness in the past two wars of resistance. These are people's revolutionary wars with the communists as the core.

We have [words indistinct] with the political and armed forces of the people in all places, with a vast and deep-reaching revolution.

This dynamism of our "people's revolutionary war" was demonstrated through many periods of the revolution, such as the period from 1950 to 1954 of the anti-French resistance war, even more vividly in the anti-U.S. resistance war such as during the Mau Than Tet offensive in 1968 and particularly in the spring 1975 campaign. The offensive in coordination with the Kampuchean people to overthrow the Pol Pot genocidal clique in 1979 is another example of the effectiveness of our people's military science and art. The main source of our revolution's invincible strength and dynamism is the unity between the scientific idea and the revolutionary tradition and virtue, the unity between the vanguard brigade and the large fighting force of the revolutionary masses led by a clear-sighted command staff which is possessed of noble virtues and represents the wisdom and will of the Vietnamese working class and nation.

The victory of Vietnam's revolution is a victory of Marxism-Leninism, the revolutionary theory and method that have been successfully and creatively applied. The bigger trials the revolution confronted, the higher this wisdom of the revolution was developed, especially during the fight against the ringleader imperialist which took place in a very complicated international situation. Another great success in the leadership of the Communist Party was the effective use of methodology which enabled it to handle the most perilous situations and to quickly turn the tide in favour of the revolution. The past half-century was obviously a period of glorious development of the political ideology and wisdom of the Communist Party and people of Vietnam.

CSO: 4200/1422

PARTY ACTIVITIES AND GOVERNMENT

DISTRICT LEVEL ADVANCED CADRE TRAINING IN ENTERPRISES

Hanoi GIAO DUC LY LUAN in Vietnamese May-Jun 85 pp 30-33

[Article by Bui Hong Viet, Director of the Zone 1 Nguyen Ai Quoc School]

[Text] Carrying out Decision 15/QD-TW from the Secretariat of the CPV Central Committee, the Zone 1 Nguyen Ai Quoc School held two pilot advanced training classes in 1984 for key leadership cadres at the district level and in state-operated industrial enterprises.

Through the reality of guiding and gaining experience from the two classes, we would like to cite a number of matters on holding periodic advanced training classes at zonal party schools which need attention.

I. Urget requirement to hold short-term advanced training classes between two sessions of Congress.

For many years now party schools have essentially held long-term elementary training classes. The holding of advanced training classes has not received the proper level of attention. This has had no small effect on improving the quality of the ranks of key leadership cadres at the district level and in state-operated industrial enterprises.

At the 5th Party Congress, the report on party building stated: "Alongside training new cadres, we must urgently have plans for providing advanced training to key incumbent cadres... Have plans to add new subjects on theory, lines and policies, economic management, new developments in science and technology for leadership cadres."

After each session of the Party Congress, the revolutionary line and socioeconomic objectives have been determined. Many real problems have been summarized and generalized into new theoretical matters having the characteristic of law and profound significance for guidance. Consequently, demand ranks of key cadres to promptly and thoroughly understand the viewpoints and line of the party and, on this basis, improve the level of realization and ability to organize successful fulfillment of every new task of the revolution.

In the political report of the 5th Congress it states:

"The quality of cadres is the decisive condition for success of the leadership task. The ranks of the party's and state's leadership and management cadres must have political quality and the level of understanding and work capabilities commensurate with the requirement of the new task."²

Realities over many years now indicate that there exists in all model districts and advanced industrial production installations collectives of key leadership cadres which are dependable and rich in experience, and which dare to think, act and take responsibility; are able to thoroughly understand and creatively put the party line into practice, and are capable of organizing implementation well. Conversely, in places where the movement is deficient the reason usually is because ranks of leadership cadres either do not have sufficient qualifications and capabilities or are lagging in quality and have lost internal solidarity.

Through the two pilot classes in 1984, 100 percent of the students asked affirmed that the policy of training cadres between two sessions of Congress is totally correct, very necessary and useful; 100 percent of the students recommended that central hold advanced training-classes regularly and have plans for providing the training consistently to leadership cadres, first of all to district secretaries and chairmen, and to secretaries and directors of enterprises. It is necessary to make going to school for advanced training mandatory and the standard for leadership cadres. Do precisely as the proceedings of the 5th Party Congress state:

"It is necessary to send management cadres and reserve cadres for advanced training first, as planned, and stop sending cadres of secondary importance instead simply for the reason 'busy at work'."³

II. Correctly determine the objective and course content of advanced training classes.

The students of advanced training classes are people who have the basic level of theory and abundant, practical operational experience, people who directly organize implementation of the party line. Consequently, the objective of advanced training on the one hand is to help the student relearn in a systematic and profound way the fundamental viewpoints in the revolutionary line of the party; on the other hand, however, it is to give special consideration to helping the student thoroughly understand the new viewpoints and policies of the party and the important decisions newly enacted by the state. The objective of advanced training must meet two basic and practical requirements, i.e., to firmly grasp the system of basic viewpoints, the crucial issues of the line, the issues which have the characteristic of law on the initial path of the period of transition and, at the same time, to swiftly and promptly grasp new viewpoints and policies embodied in the resolutions of the Central Committee and in the new decisions and policies of the state. The objective of advanced training also helps to give the student additional, new knowledge on economic management, on state management, on party building efforts, and on mass efforts aimed toward improving capabilities and guaranteeing satisfactory implementation of the tasks of the new stage. Advanced training results must contribute to helping the collective of key leadership cadres to scientifically analyze and clarify the practical situation, put forward correct resolutions, organize the revolutionary movement of the masses, stimulate production to expand, and gradually improve the life of the people.

To fulfill the above objective, the important thing is to correctly determine the course content for each class. This is a decisive factor ensuring the quality and effectiveness of study. The content of each class is not fixed but rather starts with the purpose of the requirement and special characteristic of the objective so as to determine the correct and appropriate content. Realities indicate ranks of key leadership cadres at the district level and in industrial enterprises presently are formed from many different sources, one portion being reassigned troops, a number who have come up from installations, a number who have received basic training, some essential people who grew out of the political movement, etc. Thus, the level is uneven. But, in general, the students all want to study for a short period of time and want to go immediately into specifics to clear up difficulties and entanglements in their unit or locality.

Starting from the real situation presently, the content of advanced training classes must ensure that requirements are both basic and practical. This means that from practical things which have been generalized clarify more clearly and deeply the basic viewpoints and thinking of the line and the matters that have the characteristic of general law of the revolution; at the same time, from the system of basic viewpoints of the line, guide analysis and clarify the practical matters that are posed. Basic advanced training is not the study of theory generally but rather is directed toward resolving burning, urgent problems in each period and area. But being practical also does not mean simply to disseminate work or exchange fragmentary experiences, etc.

Through the reality of the two pilot advanced training classes of our school in 1984, and stemming from the current situation, generally the content of advanced training classes should concentrate on:

- A number of fundamental issues in the socialist revolutionary line such as: firmly grasp law and change economic management; thoroughly understand the two strategic revolutionary tasks; resolutely defeat the multifaceted war of destruction of the Chinese expansionists-hegemonists.
- A number of new resolutions from the party and great positions and policies from the state, urgent tasks presently. For example, on the agricultural, forestry and pisciculture front are: directive 100 on product contracts with labor groups and laborers; directive 29 on turning over land and forests; directive 35 on directing the development of the family economy or, in industry, directive 49 on improving the leadership quality and fighting strength of primary level party organizations in state-operated industrial enterprises.
- Some new knowledge on economic management and state management, on party and mass efforts, etc., aimed toward improving the capability to implement the new economic management mechanism.

III. Have teaching and study methods appropriate to advanced training classes.

Emerging from the special characteristics of advanced training classes, we have given consideration to the following study forms and methods:

1- Improve the quality of lessons. For advanced training classes, instruction is a very important factor. The lessons in the advanced training class should

not be overly ambitious. Instructors should concentrate on the most important things, especially making the system of basic party viewpoints clearer and more profound through execution of the line. At the same time, urge students to give thought to the questions raised and, through this, improve their level of realization and ability to put the line into practice. Therefore, for presentations on the party line or new decisions by the state, instructors should be leadership comrades from departments and sectors concerned.

2- Especially in advanced training classes, it is necessary to hold collective exchanges of ideas and discussions since the students are all key leadership cadres with practical operational experience. The school should raise issues for discussion that are squarely on the mark and provide specific direction to assist the student through discussion to clarify right from wrong and to mutually study valuable practical experiences. Failure to do this study link well is a huge waste because key leadership cadres seldom have the opportunity to get together to exchange views in depth as in a short-term class.

3- Interspersed throughout the process of advanced training, it is necessary to arrange for the students to hear actual reports of advanced models and for them to visit a number of important industrial projects a number of localities has done well. This is the vital form of study which is of considerable use and interest to the student. It helps the student strengthen realization and reaffirm confidence, and arouses new ways of thinking and acting. In the two recent pilot advanced training classes, the school sent students to visit the Da River hydroelectric project, the Pha Lai power plant, the Bai Bang paper mill, etc. At the same time, the school also arranged for a number of actual reports which the students welcomed very much, such as the report from Tool Factory No 1, Haiphong's report on building and strengthening the district level, etc. The above reports gave the students many lessons of practical experience, additional training in the revolutionary assault spirit, daring to think and act, etc.

4- At the end of the class it should be arranged for the students to write a final paper. This also is a form of study which enables the student to systematize the knowledge acquired and to put this knowledge to use to solve a practical problem within each student's area of responsibility. We should not let students obtain generalized results according to the old way. Through the reality of the two pilot advanced training classes, 88 percent of the students observed that the form of writing final papers had considerable practical effect.

In summary, after determining the course content, there must be appropriate teaching and study methods to contribute to improving the quality and effectiveness of the advanced training class.

In the speech at the 6th Plenum of the CPV Central Committee, Le Duan stated: "Having the correct mechanism to be collective masters is not enough. There must be a good rank of cadres to implement this mechanism." Thus, advanced training to improve qualifications for ranks of key leadership cadres at the district level and in industrial enterprises is an urgent matter and of important significance in successfully fulfilling the socioeconomic targets set forth by the 5th Party Congress. To even better perform advanced training of cadres, localities should soon formulate periodic and regular advanced training projects for key

leadership cadres at the district level and in industrial enterprises; central should clearly stipulate responsibility and specific standards to ensure student recruitment is right on target, have systems and policies appropriate to cadres sent to school, and clearly assign responsibility to departments and sectors at the central level for closely coordinating with party schools in order to satisfactorily carry out advanced training of cadres.

FOOTNOTES

1. Van kien Dai hoi V [Proceedings of the 5th Congress] Vol III, p 112.
2. Ibid., Vol I, p 167.
3. Ibid., Vol III, p 112.

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PARTY ACTIVITIES AND GOVERNMENT

KEY CADRE TRAINING IN CATHOLIC COMMUNITIES ORGANIZED

Hanoi GIAO DUC LY LUAN in Vietnamese May-Jun 85 pp 34-35

Article by Tran Van, Deputy of the Propaganda and Training Department, Ha Nam Ninh Provincial Party Committee

Text Ha Nam Ninh is a coastal province with numerous Catholics (over 434,000, or 16 percent of the province's population). The entire province has 446 villages, 396 of which have Catholics, including 100 with 30 percent or more. The heaviest concentration is in four coastal districts: Xuan Thuy, Hai Hau, Nghia Hung and Kim Son.

Since the Secretariat's Resolution 40 on religious proselytizing in the new situation, the standing committee of the provincial party committee has regularly monitored, led and closely guided this effort. Party committee echelons regularly reserve time to hear about the operational status of religious proselytizing and have given considerable thought to a matter which has long-term strategic significance, building a stable, dependable, qualified and capable rank of cadres and party members of high quality to work as activists in the effort to proselytize the masses and struggle against acts of destruction by reactionary cliques capitalizing on Catholicism.

With direct guidance from the standing committee of the provincial party committee, the provincial departments of propaganda and training, of organization, and of civilian proselytizing, and the provincial fatherland front have coordinated closely together to study the ideological situation and level of realization of Catholic cadres, party members and masses, and have conducted political theory and work capability training courses for party members and core cadres operating in areas with numerous Catholics. The provincial party committee propaganda and training department and civilian proselytizing department have been given compilations of the course content and lessons. The province has guided Nghia Hung District in holding a pilot class and experiences from it have been promptly disseminated to other districts, cities and towns. At the same time, the province is also organizing advanced training conferences on instruction for instructors from the districts, cities and towns.

The training program consists of two main parts: one involving the theory of the line and one involving actual participation. The former has been arranged into seven lessons which include the following key points:

- Some basic views of Marxist materialism
- The Marxist-Leninist view on religion
- The Party's line and policy on religion
- The Catholic proselytizing effort

During 1983 and 1984, with the close direction of the provincial departments of propaganda and training and of civilian proselytizing, districts and cities held 29 classes for thousands of party members and core cadres operating in areas with many Catholics and obtained good results. Experience indicates that many comrades had various anxieties upon initial arrival at the class. However, after 10 days of study, especially with actual participation in socialist construction projects in Hanoi and Hoa Binh (e.g., the Thanh Long bridge, the Da River hydroelectric project, the Revolutionary Museum, the Army Museum, Uncle Ho's home and village, etc.), everyone underwent distinct changes in his realization and revolutionary acts. The district party committees and primary level party committees highly evaluated the results of the cadres and party members who attended the training classes.

Through the reality of holding political theory training classes for Catholic core cadres and party members in Ha Nam Ninh, we have come away with several observations having the characteristic of initial experience as follows:

- 1- First of all, the correct realization of party committee echelons on religious proselytizing in general and Catholic proselytizing in particular is a very difficult problem of long-term complexity in which ranks of party members and core cadres play the decisive role. Most core cadres and party members who are Catholics have a low level of theoretical realization and have more difficulty when taking on assignments and tasks given by the party. These comrades usually have many anxieties and thoughts on how to deal with the relationships between the party's task and the feelings of family and relatives, between relations with the party and relations with the church, etc. Leadership and guidance in holding training classes achieve high results wherever party committee echelons profoundly realize this.
- 2- The holding of training classes must be directed by the party committee echelon in districts, the departments of propaganda and training, of organization, the front and party schools. The Youth Union and Women's Union must coordinate closely and not assign separately or pass the buck to any other organization.
- 3- Instructors for these classes must be selected from comrades who not only firmly grasp basic theory but, very fundamentally, must be very familiar with the status of the religious proselytizing effort and the Catholic proselytizing effort. So much the better if they themselves have actual experiences.
- 4- Alongside the main content -- lessons which are well-prepared and instructors who make profound and persuasive presentations -- actual involvement is very essential and sometimes brings much higher results than listening to lectures.

5- On organizing classes, many districts do so in clusters of four or five villages so party members and cadres can travel back and forth conveniently. One party organization puts someone in charge of the site who attends to arranging the class while the departments of the district concentrate on instructing and preparing visits.

Nevertheless, we realize there are a number of matters which still need to be dealt with such as: some localities are not urgently organizing training for party members and, as a result, the entire province has upwards to 40 percent of its Catholic party members who have not received training; a number of districts organize classes, but guidance of the content and the duration are not exactly as stipulated; a number of places are afraid to organize visits for actual participation, so classroom results are limited as well.

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PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

CHINH VISITS HOA, TINH--Hanoi VNA August 25--Truong Chinh, political Bureau member of the Communist Party of Vietnam Central Committee and State Council president, recently visited Thanh Hoa Province, 150 km south of Hanoi, and Nghe Tinh Province, the native province of the late President Ho Chi Minh immediately to the south. In Nghe Tinh Province, President Truong Chinh paid homage at the grave of Hoang Thi loan, mother of President Ho Chi Minh, and visited the birthplace of President Ho Chi Minh in Kim Lien Village, Nam Dan District. The present had cordial conversations with the representatives of the population of the village. He also visited the museum dedicated to the worker-peasant uprising against the French and their agents in 1930-31 known as "Nghe-Tinh Soviet Uprising," and an infant school in Vinh City, and had a cordial meeting with revolutionary veterans. President Truong Chinh also visited the command of the 4th military zone. [Text] [Hanoi VNA in English 0722 GMT 25 Aug 85 OW]

DUAN VISITS THAI BINH PROVINCE--Hanoi VNA August 25--Party Secretary General Le Duan yesterday visited Thai Binh Province South of Hanoi, where he attended the celebration of the 40th National Day (September 2) and a ceremony to receive the Gold Star Order conferred on the province in the country to have reaped five tons of paddy per hectare in a year, and is the pace-setter in the movement for intensive cultivation and multi-cropping in North Vietnam. It is also a leading province in the district-building work. With little cultivated land and a large population, Thai Binh has the highest density of population in the whole country. The province has early mapped out a plan for the redistribution of its population and manpower, having so far sent 315,000 of its population to other areas in the country to set up new production centres called "new economic zones." Speaking at the celebration on behalf of the party and the state, Secretary General Le Duan warmly welcomed the outstanding achievements recorded by the cadres and people in Thai Binh in their past fight against the aggressors and in the current economic build-up. He urged the Thai Binh population to develop a multi-product agriculture, including rice and industrial crops, planting and cattle-breeding, vigorously develop small industry, handicrafts and fisheries, and organize well the material and cultural life of the working people. [Text] [Hanoi VNA in English 1535 GMT 25 Aug 85 OW]

CSO: 4200/1422

ECONOMIC PLANNING, TRADE, AND FINANCE

HAIPHONG PARTY CHIEF DISCUSSES PRICE-WAGE-MONEY STRUCTURE

Haiphong HAIPHONG in Vietnamese 28 May 85 pp 1,3

[Article by Doan Duy Thanh, secretary of the Haiphong Party Committee: "Erasing Bureaucracy, Subsidy; Converting to Socialist Business, Accounting; Haiphong and the Price-Wage-Money Problem"]

[Text] The price-wage-money problem is a burning issue on which all levels, sectors, and localities concentrate on in search of a solution.

An article written by Comrade Doan Duy Thanh, a member of the Central Committee of the VCP and secretary of the municipal party committee wrote the article "Haiphong and the Price-Wage-Money Problem" was published in the 24 May 1985 issue of NHAN DAN.

We wish to present that article of the municipal party secretary to all comrades and friends.

Five Conditions for Solving a Difficult Mathematical Problem

In a changeover from a barter economy to an economy of goods and money, the essential role played by goods of equal value in the circulation of goods is affirmed more and more each day. The price of each type of commodity is represented by money. Through the price of materials, labor capability ensures the material life and morale of workers, which is symbolized by money (wages).

In a capitalistic goods economy, prices change about the axis of value. Price limits depend on the spontaneous action of the law of supply and demand and the law of competition.

In a planned goods economy, because competition is eliminated, prices rise to the axis of value and remain stable if the use value of commodities ensures the balance between supply and demand and if the volume of money in circulation is in balance with the value of goods being circulated.

Although there are considerable differences in scale and speed among sectors and territorial regions, generally speaking, The condition of the economy in our country is changing from self-sufficiency and self-supply to commodity production, from a subsidized system to a structure combining economic accounting with socialist business within the orbit of planning.

In the new situation, life presents us with a burning mathematical problem--a mathematical problem which, if answered correctly, will rapidly accelerate the development pace of goods production with more and more effectiveness every day, and, on that basis, will reflect the basic economic laws of socialism. That is the mathematical problem of price, wage, and money.

A mathematical problem posed by life, the conditions for its solution also lie primarily in life. Haiphong's practical experience over the first years of the 1980's decade has helped us recognize several conditions for finding a solution to the mathematical problem of price, wage, and money in the new situation.

The first condition: goods production (especially in agriculture and industry) adequately brings every use value in balance with society's needs for consumption--both consumption for production and direct consumption.

The second condition: because "value and the law of value exist in an objective way in socialism," prices should generally be set on the basis of value in order to "encourage labor, heighten labor productivity, and reduce waste of labor, materials, and machinery in each production unit." Of course, we also recognize that there are a number of instances when the law of value must be applied flexibly, with that flexibility manifested in prices in order to actively regulate the relationship between supply and demand in line with practical developments in relations of money and goods domestically with international markets.

The third condition: on the basis of knowing the volume of goods and prices of goods, balance must be maintained between goods and money in circulation. Agencies with a goods business or monetary business function in the state and collective arena must manage the majority of goods and money toward reserve commodities.

The fourth condition: thoroughgoing conservation of consumption, including production consumption and direct consumption.

By conservation of consumption we mean limiting unreasonable consumption. The more unreasonable consumption is limited, the more funds are available for reasonable consumption.

Wages are the monetary portion of value which the worker receives to consume for re-production and expansion of labor ability (including labor ability of the next generation), comprising such expenses as food, shelter, transportation, study, medical, and entertainment expenses.

In the present socioeconomic conditions of the nation, according to the requirement for conserving consumption, wages must and can insure that each worker has enough to support one other person on the following level:

- sufficient food and sufficient energy,
- sufficient warm and clean clothing,
- an average living space of 5 square meters per person in dwellings,
- public means of transportation,
- study according to the needs of society and capability, and
- public health and recreational services (hospitals, clubs, cultural centers, libraries, movie theaters, and the like).

Fifth condition: agencies that regulate planning and budgeting, business with and circulation of money, business with and circulation of commodities, and prices must know how to operate diligently and effectively in keeping with the practical situation, know how to coordinate actions very closely in order to control the market, commodities, and money, and know how to predict the changing potential of the situation.

New Price, wage, Money Structure Needed

In the past we have been forced to use a multi-price system. That wages were determined by the price of goods supplied at fixed quantity symbolized the formula of subsidized in-kind distribution. That was the price, wage, and money structure that evolved from the wartime subsidy system.

During the war, when there was a serious lack of balance between supply and demand in the economy, that structure helped us stabilize production and life at a fixed level. On the other hand, however, products of that subsidy system and structure did not reflect true costs, which made the relationship between money and goods vague and obscured the lack of balance between supply and demand right within the economy, with the result that workers' potential was repressed, there was a lack of incentive for them to stick to the fields and factories, and management personnel were not forced to stimulate initiative in an effort to reach high productivity, quality, and effectiveness in production and business. Uncertainty in prices created loopholes through which tens of thousands of persons speculated on goods of the state, manipulated them, and diverted them for sale on the black market. That gang robbed our national income (the portion to be redistributed), lived licentiously, and caused turmoil in economic, public order, and cultural activities in society.

Because sources of subsidy dried up, the old price, wage, and money structure lost its material basis, and those living on wages were in a

predicament. The time has come when life has forced us urgently to take each step to create the five conditions described above and simultaneously build and implement a price, wage, and money structure appropriate to the new situation, for, at this point, only a new price, wage, and money structure will awaken potential for the appearance of those five conditions.

In the section "on the planning mission of 1985," the Resolution of the 7th Plenum of the VCP Central Executive Committee (5th term) stressed the need to "evenly implement in a steady and certain manner (measures to solve) urgent problems regarding prices, wages, finances, and money." The realistic basis of the mission was stated to be the appearance of new elements in the socioeconomic plane in many large territorial divisions of the land from 1981 to 1984.

On that plane, though there are still "many difficulties and lack of balance," in agricultural and industrial production, import/export, capital construction, communications and transportation, and distribution and circulation, important changes are causing conditions for solving "urgent problems regarding prices, wages, finances, and money" to begin to form, though not yet fully. Of course, we can only firmly solve problems regarding prices, wages, and money when the five conditions mentioned above are met, but we also must not wait passively for all the conditions to be perfect, but must stress building and applying the new price, wage, and money structure in order to create the ability to accelerate the pace of perfecting conditions.

Nationwide, the appearance and degree to which the conditions exist are not the same in all large territorial regions, so the economic plane is still uneven between areas. Central and local levels will of course work together in efforts to gradually level out those inequalities in order to approach in the near future the implementation of a common price, wage, and money structure, especially a wage structure, for the entire country.

New Economic Plane for Haiphong

Under the leadership of the VCP Central Executive Committee and the Council of Ministers, after 4 years (1981-1984) of "concerted uprising" in thought and action, the party organization and people of Haiphong have created a new socioeconomic plane in the city, and, based on that, many new elements have appeared for implementing balanced economic relations.

We started with agriculture, in close coordination with the steady exploitation of four sources of potential for changing the production structure of agriculture in particular and economic structure in general, basic to which is the industry-agriculture-trade structure (both domestic and international) along with tourism and services. The coordination mentioned above has shown up in a timely manner each step in the process of accelerating the pace of circulation of goods as well as money so that, at that time, the circulation of goods and the circulation of money encourage production to move a step forward in development and make four sources of

balance possible. The use of those coordinated relations is bringing the socioeconomic situation in Haiphong nearly to the point of balance in relations between supply of and demand for goods and money.

In agriculture, annual statistics for the period 1975-1980 showed a .3 percent increase in rice yields and a 1.55 percent decrease in the number of swine, with the weight of butchered pigs averaging 45 kg. In the period 1981-1985, annual rice yields increased an average 7.6 percent, and the number of swine increased from 223,000 in 1980 to 300,000 in 1984 and 320,000 in 1985, with average weights increasing from 45 kg per pig to 61 kg. Vegetable yields in 1984 increased about 1,300 tons over those of 1980. It is useful to look at per-capita figures for a few principal products in order to see the potential for surplus agricultural production. From 1976 to 1980, per-capita averages of 301 kg of grain and 13 kg of pork on the hoof were achieved, which included one year (1977) in which only 253 kg of grain and 10.6 kg of pork on the hoof were achieved per person.

From 1980 to 1984, per-capita averages of 391.2 kg of grain and 20.6 kg of pork on the hoof were achieved. Planning for 1985 set per-capita goals of 460 kg of grain, 26.7 kg of pork on the hoof, and 146 kg of all kinds of vegetables.

In industry, an output value was achieved in 1984 that was 9 percent above that of 1978, the highest output value ever achieved, 65 percent of which consisted of the output value of group B products; the output value of group A products showed a relative decline, but an absolute increase, with an average yearly increase from 1980 to 1984 of 4.8 percent.

In foreign trade, from 1981 to 1984, the average annual export value of localities increased 40 percent, with trade balance contributions to the treasury--from import/export activities--increasing by 70 percent. Ten districts and wards in the city exported 35 percent more in 1984 than in 1983. According to the plan, there will be a 20 percent increase in 1985 over 1984.

Through the initiative and regular coordination of domestic and foreign trade agencies, marketing cooperative federations, and tourism and tourist services, harbor services, and finance, banking, credit, and market reform and management agencies, the state controlled 65 percent of the total goods circulating on the market in the city, and this will rise to 80-90 percent in 1985. These commodities are of types with a deciding influence on production and life.

The pace at which treasury incomes increased averaged 69 percent yearly from 1981 to 1984, with incomes for 1984 6 times greater than those of 1981. Therefore, although the city invested rather large sums in capital construction in 1984 (651.5 million dong in on-hand city funds and 800 million dong of funds from sectors, wards, districts, subwards, villages, and the people), there was a cash surplus in the 4th quarter, 1984, of 26 million dong and a surplus of 2 million in February 1985. Although

surpluses have shown up only at a few times and places and have been small, they indicate a cessation to the situation of previous years, in which cash overdrafts were occurring year after year in increasing quantities, and a balance is being struck between payments and receipts on the Haiphong market.

Haiphong Can Implement the New Structure Within the Year

From the socioeconomic plane of Haiphong in 1984 to the beginning of 1985, we have seen temporary conditions allowing early emphasis on immediately implementing, within 1985, the new price, wage, and money structure with the following formula and make-up:

1. Apart from a few commodities for which prices are set by the State Pricing Commission, the prices of all goods will be set by the city.

2. The city will set prices according to three requirements:

--To include all reasonable expenses among costs, with the cost of remuneration for living labor (i.e., wages) computed according to the requirement for re-production of labor ability, as explained in the section above.

--To set the appropriate percentage of pure income (m) for each production sector and each type of enterprise, taking into consideration encouragement of in-depth investment and balance between sectors and enterprises.

--The difference between prices and between supply and demand correctly reflects real domestic and international monetary relations and the redistribution of public income.

The concept of "a scissors difference in price" will be eliminated, along with its irrationality, for the three requirements above contain the relations of workers and peasants exercising control together in production and business.

When prices reflect the relationship of industry and agriculture in economic control together, funds will become unnecessary for goods sold at retail prices stabilized by two-way contract.

For the organized market, relations will be free. There will be freedom to sell and freedom to buy according to law. Non-government exchanges, which Lenin called "adversary" exchanges, will be eliminated.

When prices have been rationally set, when goods and money enter the orbit of balanced relations, and when costs, the market, and, regarding supply and demand, developmental production are closely managed, then conversion of reimbursement for goods at fixed amounts into in-kind wages will be abolished. At that time, in distribution and circulation, only one type of commodity funds will be advanced, at one trade and business price.

In the first period, which might be several years long, when about 20 percent of the goods and 1.5 billion dong are in circulation on the "unorganized market" in Haiphong and supply and demand are still not truly balanced, the prices of some goods will continue to change, so a specific portion of wages must be readjusted quarterly and even monthly.

Yet with the developmental tendency of production, with constantly increasing initiative and ingenuity of agencies responsible for business with goods and money, and with an appropriate structure for attracting money and goods outside the market, a single-price structure is certain to soon become stabilized and develop its potential in the new situation.

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ECONOMIC PLANNING, TRADE, AND FINANCE

CRITICAL PRODUCTS, PRIORITY INSTALLATIONS LISTED

Hanoi TAP CHI KE HOACH HOA in Vietnamese Apr 85 pp 6-7

[Unattributed article: "Proper Employment of Critical Products and Priority Installation Listings in the National Economy"]

[Text] In order to strengthen the unified planning and management of the central government while simultaneously creating conditions for sectors and local areas to achieve collective ownership in the management course of all sectors and echelons in completing the primary economic and social plan objectives of the entire nation, the Council of Ministers promulgated Resolution 106/HDBT on 5 April 1985 on Listings of Critical Products, Priority Production Installations and Capital Construction Projects of the National Economy.

The above listing of critical products and priority installations is a legal issue of the state in defining the management power of the central government over various types of critical products and economic installations with a key position in the national economy for which echelons must concentrate priority in creating the necessary means and material to assure that the installations operate with the highest economic effectiveness.

The critical products listing of the national economy comprises 58 types of products. Of this number, industry has 45 types with products such as: spare parts, machinery and equipment supporting the development of agriculture, forestry, fishing and communications and transportation; essential consumer goods; and products supporting export and national defense. In agriculture there are 13 types, including primarily grain and agricultural products for export or used as raw materials for the production of export goods.

The critical products defined in the listing above by the Council of Ministers are those related to the equilibrium of many sectors and many economic and social fields. Strict employment of plan norms involving these products will have a decisive effect on assuring the lives of the people, developing production, expanding exports and strengthening the national defense forces.

There are 296 installations included in the listing of those requiring priority in the national economy. There are 231 in industry, including those under the direct management of the Ministry of National Defense; corporations and enterprises producing electricity, coal and spare parts and those producing critical products in support of agriculture, consumer goods, export items, and supporting the national defense. In agriculture and forestry are 25 installations,

including all those in joint enterprise with foreign countries, the forestry and industrial alliances, and the leading technical service stations and installations (the primary crop and animal breeding stations and farms) of the sector. There are 26 in communications and transportation, including all the railroad, ocean going, inland waterway and vehicle transportation corporations and enterprises and the ocean and sea port areas at important traffic inter-sections. In capital construction, there are 48 projects, largely key projects carried forward from the 1984 state plan. There are 17 scientific and technical installations and 18 in the information, culture and public health fields.

The important installations defined in these listings by the Council of Ministers are usually those directly engaged in production of key products, or with a great influence in assisting directly to create those key products.

Definition of the priority installations above indicates the progress made in rearranging production and construction and gradually overcoming the situation of overlapping, flat and economically ineffective plan arrangement and balance.

Employment of the critical product listing and the listing of installations requiring priority in the national economy has a significance of assuring that the central government firmly controls the large and primary balances of the national economy, strengthens responsibility and concentrated and unified management, and supervises and controls the economic and social plan throughout the nation. At the same time, they also clarify the balanced division of labor and management decentralization between the central government and the sectors and local areas; and define the responsibilities of sectors and echelons, both oriented toward achievement of general plan norms throughout the country and assuring plan control by one's own sector and echelon. They are also documents of a directional nature providing sectors and echelons with a foundation for rearranging production, labor division, and planning and management decentralization within their purview.

1. In formulating and achieving the state plan, sectors and echelons must direct their activities toward completing the production mission and plan norms for production of critical products; comply with production and business regulations; and assure management unity by the state over these types of critical products. This includes special emphasis on fulfilling obligations in the delivery of these products to the state, and execution of production and product consumption economic contracts signed with economic organizations under state assignment.

2. Economic and national defense installations and scientific and technical installations are of greatest importance in development of the national economy and strengthening the national defense. The system of these installations directly creates critical products, influences the major balances of the economy, and has a gradual effect on the economic structure formation process of the entire country. Recognizing their position and upholding their responsibility, these priority installations must rise to develop every available capability, reorganize production, improve management, promote application of advanced technology and strive to successfully complete the state plan; strengthen the supervisory role of the national economy, emphasize and elevate the capabilities, qualities and effectiveness of business production, and assist in stimulating active and total change in the national economy.

3. Besides the types of products and installations defined in the listings of the Council of Ministers, ministries, general departments and municipalities, based on the specific conditions and equilibrium capabilities from available sources, will define listings of products, construction projects and important installations within the purview of their own management authority. In the definition of these listings, it is necessary both to assist in strengthening the unified management of the state over products and important installations in the national economy; and to assure the concentrated management effectiveness of the sector and local area over economic activities within their own purview.

In defining the product listings of the sector, province or municipality, management must be based on the political mission, the economic and social development course during each period, the equilibrium capabilities, and the management organization conditions of each sector or local area.

Defining the listing of important installations in the sector or local area must be based on the course and policy of installation rearrangement and production reorganization at each specific sector and local area.

The defined listings of products and installations are relied upon to assign labor and decentralize planning and management to lower echelons; and to organize supervision and operation of management by the sector, province or municipality to properly achieve the proposed objectives and norms.

For products not contained in the critical products listing and installations not carried in the priority listing, depending on the specific requirements and capabilities of each sector and local area and the results of exploiting in-place capability sources, plans must be appropriately balanced and arranged. However, this plan arrangement must not obstruct achievement of the production plan of critical products or the normal operations of priority installations.

4. Upper echelon management agencies, economic organizations (material supply, banking, etc.), composite function agencies (financial, price, statistics, etc. planning), and scientific research agencies must direct all activities toward better service for the priority installations, assuring that sectors, local areas and installations complete the planned norms in critical products.

Priority installations must be supplied precisely in accordance with the plans for raw materials, supplies, fuel, transportation and favorable conditions for highly effective production; and must be assured of a supply of essential goods to answer the reasonable requirements of the laborer.

Management of norms, prices, statistics, etc. must be improved along a course of assisting the central government in stronger management of operations involving critical products production and important installations. Inspection of these operations must be strengthened; while simultaneously studying the promulgation of policies and systems consistent with the new management mechanism to create favorable conditions for installations to develop their rights of business production initiative in the proper direction.

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ECONOMIC PLANNING, TRADE, AND FINANCE

SOUTHERN PROVINCES, CITIES EXPLOIT OWN RESOURCES

Hanoi TAP CHI KE HOACH HOA in Vietnamese Apr 85 pp 16-18

[Article by Tran Tho Nghi, Deputy Director of the Regional Planning Department, State Planning Commission: "Exploitation of In-Place Potential To Improve the Balance of the 1985 Plan in the Provinces and Cities of Nam Bo"]

[Text] The year 1985 is one of concluding the 1981-1985 5-year plan and also a year of preparations for the 1986-1990 5-year plan. Due to the overall difficulties of the economy, the volume of state-supplied materials temporarily assigned in accordance with the plan to the provinces and cities of Nam Bo has only reached levels of about 60 percent in chemical fertilizer and 50 percent in gasoline, oil, equipment and spare parts for agricultural production; 40 to 50 percent in general use materials (gasoline, oil, iron, steel, cement, lumber, coal, etc.) for industrial production; and 15 to 20 percent in the types of materials used in capital construction. Commodities used to exchange for agricultural products in accordance with two-way contracts have only assured 40 to 50 percent of the agricultural product procurement mission.

Implementing the Resolution of the Seventh Plenum of the Party Central Committee (Fifth Session) on exploiting local in-place capabilities to supplement and balance the 1985 plan, the provinces and cities of Nam Bo have reexamined their capabilities from the basic, district and precinct level with the purpose of mobilizing all sources of capital, material and labor to achieve the mission assigned by the state plan. Party committee echelons and people's committees of provinces and cities have given the proper level of concern and organized firm supervision of this reexamination by the various sectors and echelons. On the basis of temporarily assigned state plan norms, the provinces and cities promptly allocated norms to districts, wards and basic units during the middle of January. By the end of February, the provinces and cities completed their summary of the reexamination phase and submitted reports to the Council of Ministers and the State Planning Commission.

Through this practice, we wish to present some experiences in exploiting the three sources of in-place potential in order to balance and supplement the 1985 plan of these localities.

1. Firmly grasp climate, soil and labor conditions and available water conservancy and mechanized installations; apply technical advances to rearrange the crop season and structure; expand the high-yield area of grain, annual industrial and export crops; intensify companion cropping, intercropping, rotation

planting, and soil improvement; and expand the practice of using green and barnyard manure as a partial replacement for still scarce nitrate fertilizer. With the methods above, the provinces of Tien Giang, Ben Tre, Cuu Long, Dong Nai, Song Be and Tay Ninh, and Ho Chi Minh City have struggled to achieve an increase of nearly 300,000 tons of grain over the temporarily assigned mission.

All of the provinces and cities have given attention to strong development of annual industrial crops and export crops such as peanuts, soybeans, tobacco, sesame, ginger, peppers, garlic, etc. Of special interest, the export shrimp movement has strongly developed in the western and eastern provinces.

In industry and artisan industry and handicrafts, that portion of products produced with self-acquired materials accounts for 40 to 50 percent of the gross output value and primary goods. Ho Chi Minh City has self-imported materials and jointly supplied raw materials to provinces in the area to produce 50 percent of the annual planned gross output. Also using the methods above, the enterprises in the Bien Hoa industrial area have created 40 percent of their total output.

The Tay Ninh Machine Enterprise made full use of an old boiler and scrap iron and steel to improve sugar production equipment with a daily capacity of 100 to 300 tons.

The Tay Ninh Vehicle Maintenance Enterprise has expanded its operational area, not only within the local area but throughout the nation, to fully utilize all types of damaged vehicles left over from the war to annually restore 25 to 30 transportation vehicles.

Binh Long District in Song Be Province has coordinated with Ho Chi Minh City in the exploitation of hundreds of tons of ferrous and nonferrous metal from old enemy bunkers for use in production, construction, etc.

2. Forms of joint enterprise and coordination for exploiting the strengths of each province and basic unit in each area have been carried out for years and now have and are being expanded to all basic units and provinces in the region and to all fields of production, exchange and export.

An Giang, Kien Giang, Dong Nai, Song Be and Tay Ninh provinces have coordinated with other provinces and cities to produce and supply stone, construction materials, etc. in excess of norms assigned by the state. The provinces of Ben Tre, Tien Giang, Cuu Long and Long An and Ho Chi Minh City coordinated with Dong Nai, Tay Ninh and Song Be in road construction to acquire lumber, firewood and forestry products for export. Ho Chi Minh City, the Ministry of Marine Products and Minh Hai Province coordinated in the raising and processing of export shrimp in Minh Hai. The Vung Tau-Con Dao Special Zone has coordinated with the eastern provinces in export and import operations. Industrial and artisan industry and handicraft production enterprises have coordinated not only within the region but also with Hanoi, Haiphong and a number of central provinces. Besides coordination with a production nature, goods have also been exchanged with one another, first of all essential goods such as cloth, rice, medicines, etc.

Generally speaking, the organization of joint business and coordination has been expanded and implemented in the process of plan formulation. However, this activity is still dependent upon many factors and therefore is not specifically defined from the very beginning and is not firmly planned. Local areas must uphold an attitude and course of coordination.

3. Organize export goods production in excess of the sphere and level of state management in order to self-import additional materials, equipment and goods. This is a full and most important capability of provinces and cities in the region. Even so, in the immediate future are still many remaining limiting factors, the unimproved current state export-import mechanism, and a number of obstacles still existing in export goods prices and procurement, exchange rates, the profit distribution system, foreign exchange use authority, labor division, export goods management decentralization, the mechanism for stabilizing delivery obligations, etc. Nevertheless, the provinces during 1985 all made efforts to surpass the assigned state plan with the lowest provinces such as Tay Ninh and Song Be surpassing the plan by 3 to 4 million dollars and the highest such as Ho Chi Minh City and Dong Nai Province surpassing the planned level by 15 to 20 million dollars.

By many rich forms, localities have encouraged laborers to give concern to the production of export goods such as Hau Giang Province Export-Import Corporation which maintains a separate stock of commodities suited to the preferences of the consumer to be exchanged for agricultural goods for export; and the Song Be Export-Import Corporation went to every district, village and production collective to study the material and commodity requirements of the consumer, and borrowed foreign exchange to export goods to exchange for agricultural goods for export. Moreover, capital was invested in joint business with districts producing export goods. The provinces and cities all encouraged districts and wards to exceed the portion of export goods assigned by the state in order to import additional commodities for self-resolving difficulties in their own production and lives. The provinces of Dong Nai, Song Be and Tay Ninh have achieved the level of each district being self-concerned about 1 to 2 million dollars, and in Ho Chi Minh City, 50 percent of the export value of the local areas is comprised of goods from the wards and districts.

The imported goods of local areas are usually concentrated in the various types of materials supplied in insufficient quantities or not at all by the central government, along with a proportion of fixed consumer goods to support daily life in the region and to assist in compensating for losses caused by importing production materials or delivering goods to the central government, this proportion actively dependent upon each local area but usually comprising 35 to 40 percent of total import value.

Generally speaking, the provinces of Nam Bo have much experience in exploiting the three sources of in-place capabilities but it is not recorded in the legal plan and is only for effort. This situation exists because local areas still mark their own abilities while worrying about a reduction in the central government's supply portion; or because these capabilities are within the potential purview and exploitation requires conditions and time which are presently not firmly defined.

4. The provinces and cities have creatively applied resolutions, boldly replaced a number of mechanisms in management, and actively eliminated obstacles to create a basis for developing their initiative in business production.

An Giang Province has applied a one-price policy for supplies and production materials supplied to basic production and service units, has permitted the expansion of business or self-coordination to obtain supplies and goods for business, and has created additional funding for building the material and technical base.

The provinces of Hau Giang and Song Be have allowed export-import enterprises to borrow foreign exchange for importing goods in order to create commodity stocks to exchange for export goods.

The provinces of Dong Nai, Song Be and Tay Ninh and Ho Chi Minh City have encouraged basic units, districts and wards to self-export goods through their own foreign trade corporations or to coordinate with foreign trade corporations in nearby provinces in the principle of assuring high economic effectiveness and obtaining plan approval and permission from the province. In order to encourage basic units, districts and wards to participate in exports, Song Be and Tay Ninh provinces temporarily stipulated the distribution percentage and use of foreign exchange income in accordance with a formula of "4-3-3" or of "5-3-2" (the basic unit receiving 40 or 50 percent; the district being permitted to use 30 percent; and the province receiving 30 or 20 percent);

Moreover, local areas have expanded the joint enterprise and coordination mechanism and allowed basic units to use all products in excess of planned levels or to extract part of the products produced from self-acquired materials in the plan (as permitted by the chairman of the people's committee) in order to exchange for supplies and goods aimed at continuing to produce those products.

Through the operational practices above of the provinces and cities of Nam Bo and in order to guide local areas in formulating and implementing plans precisely in accordance with party line and policy, we believe that the central agencies must handle two problems concerning the planning mechanism and economic policy.

--In planning, the state must maintain the procedure of assigning an official plan from the very beginning of the year. Naturally, the norms of this plan must be consolidated from the basic unit up and must be formulated in an active and firm manner. During the middle of the year, the state will adjust the plan. This adjustment is primarily the assignment of additional plan missions for local areas to exploit the sources of in-place capabilities. Ordinarily, it takes 6 months of implementing the plan and the signed economic contracts before the local capability sources are introduced to the plan in a relatively firm manner. The State Planning Commission promptly studies and promulgates composite methods and models of joint enterprise and coordination norms and self-import export plans, first of all to provide specific guidance to the local areas in summarizing their results and capability sources in self-acquiring materials and goods, and to introduce these capabilities to plan equilibrium. At the same time, there is firm accounting for the sources of materials supplied by the state.

--In economic policies, functional agencies must promptly study and rationally resolve policies on the prices of products produced with two types of material (state supplied and self-acquired by the local area), and policies on compensating for losses incurred through export products and the products that are produced of self-acquired materials but are sent from the local area. The state must stipulate a unified export-import mechanism, and clearly stipulate the scale and listings of export goods to all levels (central, provincial, district and basic). For those commodities on the central management list, if local areas achieve and surpass assigned planned levels or produce products of self-acquired material sources, part of the foreign exchange must be set aside for the local area to afford it the conditions for reproduction. If the value of local self-export or commissions for delivery to the central government amount to 10 percent as before, a proportion of the foreign exchange in accordance with net profits must be remitted to increase contributions to the central government to support general requirements.

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ECONOMIC PLANNING, TRADE, AND FINANCE

GUIDELINES PRESENTED FOR 1986 PLAN FORMULATION

Hanoi TAP CHI KE HOACH HOA in Vietnamese May 85 pp 4-7

[Unattributed article: "Grasping the Guidelines To Construct the 1986 State Plan"]

[Text] During the coming months, we must both step up the emulation movement to successfully achieve the 1985 state plan, and complete the 1981-1985 5-year plan; while simultaneously and urgently promoting construction of the 1986 state plan, and beginning preparations for the 1986-1990 5-year economic and social development plan.

During the past year, sectors and echelons made some progress and took greater initiative in plan construction and self-balancing requirements; a number of locations organized plan construction from the basic level; and the methods and procedures of plan formulation were improved. However, the advances made are not yet synchronized or uniform. Sector and local plans are not yet truly constructed from the basic level up, many capabilities in labor, land and the material and technical base are still wasted, tendencies to wait for and depend upon capabilities from above and the situation of diffusion in the plan have still not been overcome, the concentrated and unified effectiveness of the state plan has not been strengthened, etc.

Thoroughly understanding the resolutions of the Seventh Plenum of the Party Central Committee (Fifth Session) and strictly complying with the interim stipulation of the Council of Ministers on improving planning for the national economy, sectors, local areas and basic units must have a grasp of state guidelines, courses and methods; and of plan requirements, methods and procedures aimed at improving and raising the quality of 1986 state plan construction and summarization.

I. Grasp the Guidelines of the 1986 State Plan

With expectations of the 1985 economic situation and forecasts of factors that will occur in the years to come, 1986 plan arrangement has a number of points requiring attention as follows:

The potential in primary materials, especially the imported types, will make virtually no increase over 1985; sources of capital accumulation will still be greatly limited; and the number of many types of requirements of production and life will increase but the ability to answer them will be restricted. The imperialists and international reactionaries will continue to wage their multifaceted war of sabotage and to use an economic encirclement policy against our country.

Along with these difficulties, the years to come will also have many active factors able to create new possibilities for stimulating an advance in the economy. Many 1985 plan norms were increased over the same period last year and there are expectations of achieving the plan. In the various sectors such as agriculture, forestry and marine products, good changes are occurring. In industry and artisan industry and handicrafts, although a few sectors are still encountering difficulties in production, there is still generally speaking a fair rate of development in many types of primary products. New progress has been made in the transformation of socialist economic relations.

The completion of construction projects during previous years and 1985 has created additional new capabilities for 1986 (a number of new factories will enter production, a number of water conservancy and communications and transportation projects and an increase in rubber, coffee and tea area will come into business production, etc.)

New resolutions and policies of the Party Central Committee, especially price and grain policies, have and will be implemented, creating many new factors to both increase the concentrated and unified management effectiveness of the central government, and assuring that local areas and basic units truly develop their collective ownership rights. New experiences, new factors and many new models are being widely multiplied by sectors and local areas.

On the basis of the defined capabilities and situation expectations above, the 1986 state plan must continue to grasp the primary courses and missions outlined by the Fifth Party Congress for the eighties:

First: stabilize the economic and social situation, and overcome and eliminate abnormal, unwholesome and non-socialist occurrences in economic, cultural and social life. Assure and gradually improve the lives of the people along with efforts to create a source of accumulation within the country.

Second: improve the economic structure along a course of better utilization of available production forces, first of all promoting labor distribution within each province and district and the various regions of the country aimed at more rapidly and properly exploiting the available potentials of land, forest, sea and material installations; continue to arrange and create a new balance between agriculture, light industry and heavy industry, and between production, construction and transportation; create a rational structure in each sector and territorial region and between economic elements; and continue socialist transformation in coordination with constructing, strengthening and perfecting new production relations.

Third: on the basis of available sources of accumulation (by domestic capabilities and through international cooperation), continue to build the material and technical base along a course of completing the construction of unfinished projects; conduct in-depth and synchronized investment in present installations and a number of projects aimed at promoting agricultural, fishing and consumer goods production with a medium and small scale following the "modern small industry, skilled handicrafts" motto; and effectively prepare so that when the conditions exist, the opportunity may be seized to construct key projects such as large-scale metallurgy, heavy machinery, large-scale chemical production, etc.

Fourth: assure the critical requirements of strengthening national defense and security, and firmly protect the independence of the fatherland and the fruits of the socialist revolution. Properly and effectively coordinate economic effectiveness with national defense.

Of the four primary missions above, the central number one mission of 1986 is to continue efforts in stabilizing the situation, stabilizing living conditions and preparing conditions for further development in the years to come.

In substantiating the course and missions above, guidelines in formulating the economic and social development plan for 1986 that sectors, local areas and basic units must grasp are:

1. Rapidly achieve production arrangement and reorganization with good labor division and decentralization. On that basis, concentrate priority on material conditions for the most primary and critical objectives such as grain, consumer goods and export items, first of all resolving the food and consumer goods problem in the northern provinces, a location with major requirements both in production and in protection of the fatherland; and simultaneously strengthen the development of energy production sectors and promote transportation and communications.

During 1986, the entire country must consider agriculture as the foremost front and strive to promote grain production while simultaneously and rapidly developing total agriculture. Grain production levels must assure a sufficient diet and an additional reserve with progress toward a portion for export in order to join other export agricultural products in paying for the critical import material requirements of agriculture and in providing a portion for the overall economy.

Agricultural development must be closely connected with the development of the agricultural production processing industry and the consumer goods industry; both properly using the capacity of central enterprises, and promoting local industrial development (small and medium-scale manual processing are primary). Seek every means of creating sources of raw materials for the consumer goods production industry and local industry, first of all small industry and handicrafts on the basis of strongly exploiting in-place sources of raw material. The heavy industry sector must answer to the greatest extent the requirements of agricultural development, consumer and export goods production industry, and communications and transportation. Product quality and economic effectiveness must be considered extremely important standards in evaluating the results of the production labor and management improvement of each production unit.

2. In conjunction with the price, grain and money policies and their continued perfection, strong change is necessary in building and perfecting the economic management mechanism, first of all in the fields of production management, exports and imports, material supply and capital construction investment, and in circulation and distribution, the core of which is to eliminate bureaucratic and subsidized management, shift completely to socialist economic accounting and business, more properly utilize the economic lever policies, and expand the initiative and creativity of the local area and basic unit while simultaneously assuring a spirit of discipline and the management unity of the state.

3. Carry out a strong step in labor rearrangement within the area of each district, each province and the entire country, and better utilize in-place labor, land and trades while at the same time quickly introducing labor from areas with a surplus to the construction of new economic zones, and in all fields, seek every means to swiftly increase social labor productivity.

4. Basically complete socialist transformation of agriculture and commerce, and strengthen and consolidate cooperatives, production collectives, joint enterprise organizations and joint state-private enterprises.

5. Ideological, cultural and social work must promptly resolve new requirements, first of all swiftly raising the quality of educating and training the new man, achieving collective ownership, eliminating individualism, and avoiding erroneous ideologies, a life of dependence, labor inertia, private profit, selfishness, a guild ideology, negativism, provincialism, disorganization and a lack of discipline. Build a wholesome, absolutely just, diligent way of life and resist waste, corruption, extravagance, decadence and superstition.

6. Continue to arrange and stabilize organization of the state management apparatus along with the arrangement and stabilization of ministries, sectors and echelons.

II. Improve Methods, Raise Quality of Plan Construction in Sectors, Echelons

Originating from the requirements and missions of the 1986 plan and based on the capabilities and progressive changes of factors affecting the economy in the coming year, arrangement of the economic and social development plan for 1986 of the entire nation is estimated as follows: composite norms such as the gross social product, national income, gross industrial and agricultural output, the volume of goods transported and the export value will all have a fair rate of increase over 1985. Work must be directed toward achieving the primary objectives of stabilizing the economic and social situation, and solving the critical requirements in life, production, export and national defense.

Plan guidance assigned to ministries, general departments, provinces and cities this year is only restricted to a number of norms and missions in production and commodity and export goods collection but these norms are usually set at the minimum level with the material equilibrium capability of the state as the maximum level. Therefore, sectors and local areas must supervise and guide basic units in the formulation of plan drafts in the spirit of fully exploiting every available potential in order to actively define the plan level and to further elevate assigned state guidance.

To answer the requirements of plan formulation as above and assure that the composite balances of the national economy achieve a higher level or at least a level compatible with initial estimates, sectors, local areas and basic units must uphold their spirit of responsibility and collective ownership rights in formulating the plan, improving both planning theme and methods. In constructing the 1986 plan, emphasis must be given to achievement of the following primary requirements and methods:

1. Fully exploit capability sources and actively assure the plan equilibrium of basic units, sectors and local areas. Last year, we gained some initial experience in exploiting our own available capability sources, achieving business production association, and promoting exports to acquire imports, creating new capabilities for plan equilibrium. Nevertheless, these capabilities are still not sufficiently entered in the plan, and many economic association activities between basic units and local areas have not yet been clearly defined or assured by contracts and plans. Sources of state-supplied material are not assured in accordance with the plan and at the same time, they are not used with the proper objective, and much waste occurs. Arrangement of the 1986 plan must have true changes, more effective exploitation of the four capability sources, and clear expression in the plans of each echelon.

All sectors and echelons must establish and achieve programs for applying technical advances to production and social life with clear expressions in the plan such as increased labor productivity and crop and animal yields, increased product and commodity volume and quality, increased production capability, and creation of domestic raw material sources to assure the requirements of production, construction and export.

The process of production reorganization must be tied to the plan theme of sectors, local areas and basic units, and especially have an effect of influencing and reforming the economic structure. At each echelon, plan arrangement must rely on the selected rational production organization plans. On the basis of economic development projects, specific production plans must emphasize more rational organization of the production process in each zone and basic unit, closely connecting them with the strengthening and perfection of socialist production relations; and create rational economic structures: product, crop and animal structures; structures of sectors at the local level; and production structures between the three economic components (state-operated, collective and family) within the same sector and over one zone.

Worthy of attention is that during the next few months, complying with the resolutions of the Party Central Committee (Fifth Session), our state will implement new management mechanisms in the economic and social fields. This change will create new capabilities contributing toward assurance of plan balances. Consequently, immediately during construction of the plan for the coming year, it is necessary to examine the active factors created by application of the new management mechanisms; to gradually eliminate expressions of bureaucratism and subsidization; and to thoroughly understand the principles of socialist accounting and business. Sectors and local areas must consider close connection of the plan with the new economic policies as a multiplying factor when setting plan norms and as an important method for assuring a strong plan.

2. Improve plan construction methods. Construction of the 1986 plan must be carried out at the same time as the resolution of many other urgent tasks. Consequently, sectors and local areas must improve their methods of planning and arrange forces and the necessary time to well-organize plan formulation in accordance with the requirements of the central government.

First of all, continue to better achieve plan construction and consolidation from the basic unit up, creating conditions for the basic unit to truly control

the plan, meaning that the plan of each basic unit must be constructed in an active and firm manner with self-equilibrium by exploitation of the four capability sources. In achieving this policy position, the experience of a number of local areas last year indicated that the supervisory role of the commander and planning agency of each echelon and sector is extremely important. Upper echelons must create conditions (providing information on the mission, on balanced upper level material capabilities, related management system policies, etc.) for basic units to actively confirm the plan.

The plan is constructed on the basis of economic and technical plans, emphasizing the economic effectiveness of every plan measure. A true change is necessary that follows a plan formulation formula with a scientific basis. Generally speaking, the arrangement of all plan components in echelons and sectors must deal with plan measures on the application of technical advances, and on production and management organization. The decision to introduce any measure to the plan must be formulated and selected from many plans, and must calculate the specific economic effectiveness. It is necessary here to totally examine the economic and social effectiveness, giving special emphasis to productivity norms, product quality, material conservation and waste, and proper solution of the economic interest relations of the state, collective, locality, unit and laborer. Using economic and social effectiveness as a standard for determining plan measures (basic investment, labor distribution, supply and use of material, etc.) at the present time also has a significance of assisting to stabilize the situation and immediately restore order in the planning task.

In order to assure the good quality of echelon plan construction and consolidation, it is absolutely necessary to execute the planning system. From the plan review and assignment of upper echelons to the plan construction, protection and reporting of lower echelons, regulations must be properly respected. The immediate specific tasks to be accomplished for good plan construction in sectors and echelons are:

--Summarize and evaluate the economic situation of the sector (or local area or basic unit) during the past 10 (or 5) years in accordance with the requirements and themes supporting study and construction of the coming 5-year plan.

--Reexamine the system of economic and technical standards and norms, plan price types, etc. in order to supplement and perfect them;

--Conduct a final review of the plan in the various echelons, compare the production volume achieved with the volume of material and capital received, and evaluate the results of specific tasks;

--Investigate and reascertain the labor force, land area, machinery and equipment capacity, available capital, etc. At the same time, organize an investigation of market requirements in the various types of products and commodities;

--Define the production association and business courses and guide basic units in establishing relations and signing economic contracts between the concerned parties, etc.

One issue favorably influencing the quality of norms in the draft of echelon plans is the effort to totally complete the 1985 plan within the echelon in order for the norms achieved in actual practice to be consistent with estimated figures when constructing the 1986 plan.

ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

PORK STILL SOLD PRIVATELY--Much pork is still being sold by private merchants at markets in the city. Taking advantage of a time when the food sector is experiencing a shortage of meat, private merchants have been merchandising this item more and more. They sit on the sidewalk along Da Nang Street and in front of the entrances to such markets as Da Nang, Van My, and Tam Bac. Pork sold by private merchants is sometimes from swine that died of disease and has been disguised by roasting. When private merchants are permitted to sell pork, prices become unstable. The merchants also weigh fraudulently and purchase pork in competition with state agencies. Wards and subwards must combat private merchandising of pork and at the same time develop business in this commodity by cooperatives and state trade in order to stabilize distribution costs. [Text] [Nguyen Huu Xa, of Cau Tre Subward] [Haiphong HAIPHONG in Vietnamese 23 May 85 p 2] 9830

NEW ECONOMIC ZONES--Hanoi. VNA. August 21--So far, 11 economic zones have been set up in coastal and mountainous areas of Quang Nam-danang Province, central Vietnam, involving more than 20,000 people. Besides food production, the new settlers have been engaged in industrial croppings, fishery and the production of handicraft items for export. Thanks to the application of new farming techniques and the reclamation of virgin land, many new economic zones such as Phu Tuc of Hoa Vang District, Nguoc Ca of Tra My District, have produced enough food for their people. General-education schools, health stations and roads have been built in these new economic zones. [Text] [Hanoi VNA in English 0658 GMT 21 Aug 85 OW]

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HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

CHEMICAL INDUSTRY PROGRESS--The Vietnamese chemical industry has made notable progress in the past 30 years. By 1984, the number of chemical factories had increased 40 times and chemical workers 150 times over 1955, the year when Vietnam had only 6 small chemical factories. The main chemical products are fertilizers and pesticides. Thousands of tons of these products are turned out every year. [Text] [Hanoi International Service in English 1000 GMT 22 Aug 85 BK]

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HEALTH, EDUCATION, AND WELFARE

LIBERATION BRINGS STRIDES IN HEALTH CARE

OW231644 Hanoi VNA in English 1505 GMT 23 August 85

["Forty Years of Health Care in Vietnam"--VNA headline]

[Text] Hanoi, VNA, August 23--Following are excerpts from an article by Dr Prof Vivoang Dinh Cau, vice minister of public health, reviewing the development of health care in Vietnam since the August revolution in 1945. The article was published in the national daily NHAN DAN recently:

After the August revolution in 1945, Vietnam was left with a very poor health care infrastructure from the colonial regime. There was no major health service except a few "charity hospitals" staffed by a small personnel who mostly practised medicine in their own interests. The whole Indochina had only one college of medicine and pharmacy.

Right after the revolution, the public health service focused efforts on the urgent task of training medical personnel and Red Cross members in short-term courses and waging a nationwide campaign against epidemics such as smallpox, cholera and typhoid, and for observation of sanitation rules.

Veneral diseases left by the colonial regime especially in the enemy-occupied areas were eradicated as early as the 60's. Since the reunification of the country in 1976, the prevention of veneral diseases and drug addiction have been stepped up together with the establishment of rehabilitation centres through which many former criminals and addicts were returned to a useful life.

Leprosy is no longer an incurable disease. Whereas leprosy sufferers were abhorred and ostracized in the past, today thousands of them have been cured and returned to their families. The leprosy incidence has dropped from 0.2 per thousand to 0.09 per thousand. Plans have been worked out to turn several former leprosariums into convalescence homes for helpless and disabled patients.

The fight against tuberculosis has been given a strong boost especially since 1958. In spite of war-time conditions, the tuberculosis incidence went down from 1.7 per thousand in 1976 to 0.8 per thousand in 1983.

Another major achievement has been in the fight against malaria which started in the north in the early 60's. Since the liberation of South Vietnam, the fight has been undertaken also in all southern provinces. As a result, the ratio of sufferers among the population dropped from 5.6 per thousand in 1976 to 3.49 per thousand in 1985.

Besides, the health service is carrying out a program for preventing and controlling virus-related and other diseases such as goitre, trachome, diarrhoea, dengue fever, blindness, worms, and teeth and mouth complaints.

Inoculations against six diseases (diphtheria, tetanus, whooping cough, tuberculosis, polio, measles) have been administered to all the population especially to children under 6 years of age.

The public health service also encourages the building of septic tanks suitable to the local conditions.

An important factor for the "pollution of the social environment" is the quick growth of the population, from 18 million in 1936 to 36 million in 1970, and 53.6 million in 1980, that is it has doubled within 34 years and trebled within 44 years. For many years now, the health service together with the concerned branches has made big efforts to bring the population growth rate down from 3.2 per cent in the 60's to 2.2 per cent in 1984 and is striving to bring it to around 1 per cent by 1990.

At present, the public health service is actively responding to the program of the United Nations decade for water and environment purification (1.81-90).

Over the past 40 years, the pharmaceutical service of Vietnam has built more than 500 pharmaceutical factories. Efforts have also been made to exploit pharmaceutical materials in the country together with the growing and use of traditional medicinal herbs. Many villages have been able to meet 50 to 70 percent of the needs in medicaments for common diseases.

The combination of modern medicine with traditional medicine has brought about satisfactory results. The institute of traditional medicine and the institute of acupuncture have importantly contributed to the development and inheritance of the traditional therapy.

At present, the health care network has reached down to each village in which emphasis is laid on the district and village medical network.

At the centre, thanks to modern equipment the hospitals have been able to perform some high-tech operations such as in heart, lung, kidney, surgery, in micro-surgery of the eye, and also in nuclear medicine and serology.

There was in the colonial days only one college of medicine and pharmacy for all the three Indochinese countries. Today, Vietnam alone has 10 medical colleges and 40 secondary medical and pharmaceutical schools at the centre and in the localities.

In 1983, the medical personnel included 228 doctors and candidate doctors of medicine and pharmacy, 21,100 medical workers and pharmacists with university qualifications, 38,425 medical workers of secondary education, and 115,590 nurses and midwives. Compared with the pre-revolution days, the medical personnel has grown by one hundred fold.

Following are some comparative figures:

	Before the Revolution	Today
Mortality rate	2.4 percent	0.75 percent
Mortality rate of infants under 1 year of age	30 percent	3.35 percent
Average life expectancy	24	63

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HEALTH, EDUCATION, AND WELFARE

PROVISIONAL REGULATION ON MANAGEMENT, USE OF VCR's

Haiphong HAIPHONG in Vietnamese 16 May 85 pp 1, 4

[Text] On 2 May 1985, the Haiphong Municipal People's Committee issued provisional regulations on the management and use of video cassette tape players and recorders in accordance with Resolution No. 422 of the Municipal People's Committee. The text follows.

Based on the spirit of Official Letter No. 96-CV/TW of the Secretariat of the VCP Central Committee, Resolution No. 115/HDBT of the Council of Ministers, and Official Letter No. 2254-VH/VP of the Ministry of Culture,

The People's Committee of Haiphong City regulates the management and use of video cassette players and recorders as follows:

A. General Principles

1. Video cassette players constitute a modern medium of information which must be managed and for which guidance must be provided for proper usage in the interests of good educational propaganda in political work and general scientific and technical knowledge and of promoting the building of culture, a new life, and the new socialist man.

2. The contents of video cassette showings, whether money is charged for the showings or not, must be closely managed. The use, recording, and importation of video tapes must comply with all the principles, processes, and regulations published by the state.

3. Use, exportation, or recording in an arbitrary manner and unauthorized business practices in this arena must be resolutely opposed.

B. Specific Regulations

I. Regarding video tape players:

1. All agencies, collectives, and individuals with video players must apply for registration and obtain permission at the Municipal Culture and

Information Service before use is permitted. Upon transfer of ownership, the process of registration must be repeated.

2. From this date on, units and individuals with a need to use video players must receive permission from the Municipal People's Committee to purchase any not already in their possession.

II. Regarding video tape recorders:

1. Units and individuals may only use pre-recorded films when their contents have been approved by the Municipal Film Censorship Council and the Culture and Information Service has issued a circulation permit.

2. The Municipal Film Censorship Council is responsible for erasing the contents of tapes not permitted to be shown. In instances in which they must be retained in the interest of research needs, the Municipal Film Censorship Council will remunerate the unit or the individual possessing the tape (for the price of a blank tape).

3. Except for the Culture and Information Service and the municipal radio station, it is strictly forbidden for any unit or individual to import video tapes from countries outside the network of socialist countries.

4. The municipal radio station is responsible for coordinating with the Culture and Information Service to produce new video programs and record and distribute video tapes which have been approved for issue to the people of the city. Units and individuals without authority to do so may not arrange for the unauthorized production or recording of video tapes.

III. Regulations on Showings

1. Showings for which money is not collected:

a. Agencies, collectives, and individuals with video players registered for use can show, for internal viewing and within the family, films for which the Culture and Information Service has issued a circulation permit.

b. It is strictly forbidden for any agency, collective, or individual to show, under any form, video films the contents of which are uncensored.

2. Showings for which money is collected:

a. Permission is granted to the Culture and Information Service and the Municipal Television Broadcasting Station to arrange for the showing of video films for which money is collected. The Culture and Information Service and broadcasting station must coordinate closely to formulate planning for the network of fixed points at which showings are held for money. Furthermore, these two agencies are granted permission to hold joint showings for money with all agencies and collectives within city jurisdiction.

b. In addition to having permission for internal showings for which money is not collected, the municipal military committee is granted permission to hold temporary showings for money at the Army Culture Center. Showings may not be held for money at any other place in the city.

c. Other than the agencies given permission above, no agency, collective, or individual may hold showings with video recorders for a monetary charge in any form.

3. Prerequisites for video recorder showings:

a. When a video recorder showing is held, units must propagandize the ideological content, subject matter, and esthetic value of the film well in order to properly guide the viewers with all the appropriate forms and methods of propaganda. It is absolutely wrong to use noisy loudspeakers for rude advertisements and to disturb order in the city.

b. To ensure the health of viewers, showings on a 45-in screen must not be held for more than 250 persons. The location and facilities serving the viewers must ensure that requirements are satisfied for convenience, order, and hygiene and for implementing the new life. The Culture and Information Service must coordinate with associated sectors for a specific determination of the number of viewers and service conditions for each type of video player.

IV. Scope, Responsibilities, and Forms of Use

1. This regulation is also applicable for showings of celluloid films.

2. The Municipal People's Committee assigns to the Culture and Information Service responsibility for coordinating with the municipal public security forces with responsibility for state administration to organize implementation guidance and monitor compliance with this regulation. The Municipal Planning Committee is responsible for providing plans to units with permission to operate businesses. The Finance Service is responsible for coordinating with the Municipal Planning Committee and the Municipal Culture and Information Service to determine a unified price for tickets, to implement state management of the units given permission above to hold showings for a monetary charge, and to guide the payment of funds to the city treasury.

3. Any agency, collective, or individual acting in violation of the above provisions will receive administrative punishment, depending on the gravity of the violation, in the form of monetary fine and confiscation of paraphernalia until sued by law. If the showings took place with an unregistered, unapproved video player, the player, tapes, and all equipment will be confiscated prior to investigation to ascertain responsibility.

4. This regulation is in effect as of 2 May 1985.

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