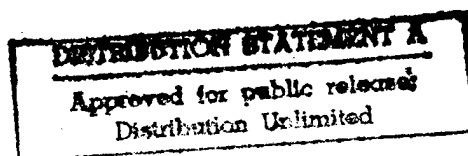


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14 September 1985



## Southeast Asia Report

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14 September 1985

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AUSTRALIA

ORE PRODUCERS, JAPAN AGREE ON PRICE RISES

Melbourne THE AGE in English 13 Jul 85 p 21

[Article by Simon Holberton]

[Text]

TOKYO, 12 July. — Eight months of acrimonious negotiations ended today when Australia's two big iron ore producers, Hamersley and Mt Newman, agreed to price rises averaging 1.8 per cent for about 36 million tonnes of ore for the Japanese steel mills.

The small rises will flow through to other Australian producers selling to Japan. They will also apply to Australian contracts with China, Taiwan and South Korea. Overall, about 70 million tonnes of ore is involved, worth an estimated \$1400 million in export income.

Although one source conceded that the settlement was the best achievable, he added: "When one looks at the whole result from an Australian iron ore industry point of view it is not a settlement we should be happy about, or one which relates to what should have been achievable."

The increases were 1.42 per cent a tonne on "fines" ore and 2.2 per cent a tonne on lump ore. This equals \$US16.77 a tonne for fines and \$US20.19 a tonne for the higher quality lump.

But eight months ago Hamersley and Mt Newman came to Japan for a "double digit" rise. They believed a 10 per cent rise in de-

mand and increased profitability in the Japanese steel industry justified such a rise.

During the negotiations — the second-longest for many years — things happened that many in the Australian industry believe almost undermined Australia's relationship with the Japanese steel industry. The scaled-down settlement is seen as an attempt by both sides to recover that relationship.

The Australian negotiating stance, was predicated on the belief that, as Australia, along with Brazil, is one of the biggest producers, it should have a role in setting market prices.

But the capitulation last December of small Canadian producers selling ore into West Germany undermined the price rise push by major producers. The Brazilian giant CVRD held out and got a 1.57 per cent rise but a questionable deal between Indian producers and the Japanese reduced bargaining power.

The Indian deal in January, in which prices were rolled over for the inducement of increased tonnage, was particularly disturbing to the Australia.

Although, in the short term, this might not have an effect — there are strikes at Indian mines which will affect supply, and it is be-

lieved the Indian contract provided for an increase in price if other producers gained one — Australian producers saw the giving of inducements as a lowering of commercial standards.

Another equally disturbing development was the deal the Japan struck with the Swedish producer LKAB to buy about 1.5 million tonnes of pellets and fines over the next four years.

In a market already creaking under excesses (most Australian contracts usually only 65 per cent fulfilled) the Japanese mills' move to buy additional ore from Sweden is seen as another attempt to intimidate larger scale producers into accepting unfavorable terms and conditions.

The test of the producers' relationship with the mills will occur when both Mt Newman and Hamersley return later this year to renegotiate big, long-term contracts. Hamersley has a fines ore contract of 3.5 million tonnes up for renegotiation, while Mt Newman has its High Grade No 1 contract for 7.5 million tonnes to be rework.

It is highly unlikely that the contracts will be ended, but the Australians are keen to see no significant change in terms and conditions.

CSO: 4200/1451

AUSTRALIA

POLL FINDS SUPPORT FOR SPORT TIES WITH SOUTH AFRICA

Sydney THE SYDNEY MORNING HERALD in English 13 Jul 85 p 9

[Article by Leonard Radic]

[Text]

Most Australians are in favour of Australian sportsmen and women competing in South Africa, either individually or as members of an official team, according to the latest Herald Survey.

Two out of every three people of voting age believe that sporting teams representing Australia should accept invitations to play in South Africa, while three out of four take the same view of individual sportsmen and women.

Labor voters are less enthusiastic than either Liberal, National Party or Australian Democrat voters about either kind of sporting contact.

Even so, a clear majority of supporters of all four parties approve of sporting contacts with South Africa, as do a majority of people in each State and in each age and education group.

Herald Survey interviewed a representative sample of 2,000 people of voting age. The sample, as usual, included every Federal electorate.

Interviewing was carried out on the last two weekends in June.

Voters were asked two questions on sporting contacts with South Africa.

They were asked first: Should sports teams representing Australia accept invitations to play in South Africa?

Sixty-seven per cent of both men and women thought they should.

Twenty-seven per cent of men and 21 per cent of women thought they should not.

Accepting such invitations was favoured by 77 per cent of Liberal voters, 70 per cent of National Party voters, 68 per cent of Democrat voters, and 59 per cent of Labor voters.

Thirty-three per cent of Labor voters, 26 per cent of Democrat voters, 16 per cent of Liberal voters, and 14 per cent of National Party voters thought such invitations to official sporting teams should be turned down.

The age groups strongest in their approval of such invitations being accepted were those in the 18-24 and 45-59 age brackets (both 70 per cent).

The least approval came from those aged 60 and over (63 per cent).

Tertiary graduates (53 per cent) were less inclined than either the primary educated or the secondary educated (both 69 per cent) to favour the acceptance of team invitations to play in South Africa.

On a State basis, the strongest approval of official team visits to South Africa came from those in Western Australia (75 per cent) and Queensland (72 per cent), while the least approval came from those in Victoria and NSW (both 65 per cent).

Respondents were then asked: Should individual Australian sportsmen and women accept invitations to play in South Africa? Seventy-five per cent of men and 74 per cent of women thought they should.

Nineteen per cent of men and 16 per cent of women thought they should not.

Again, there were marked differences according to voting preference, with 67 per cent of Labor voters favouring the acceptance of such invitations by individual sportsmen and women, compared with 83 per cent of Liberal voters, 81 per cent of

National Party voters, and 77 per cent of Democrat voters.

Such sporting contacts by individuals were most favoured by those aged 18-24 (80 per cent) and least favoured by those aged 60 and over (69 per cent).

The contacts were also favoured more by those in Queensland (83 per cent) and Western Australia (82 per cent) than those in South Australia (78 per cent), NSW (73 per cent) and Victoria (71 per cent).

(Herald Survey is conducted by Irving Saulwick and Associates, in conjunction with SRG Australia Pty Ltd. Copyright: Irving Saulwick and Associates.)

## SPORT WITH SOUTH AFRICA

Should sports teams representing Australia accept invitations to play in South Africa?

	TOTAL %	MALE %	FEMALE %	ALP VOTERS %	LIB VOTERS %	AD VOTERS %
YES	67	67	67	59	77	68
NO	24	27	21	33	16	26
DON'T KNOW	9	6	12	8	7	6

Should individual Australian sports men and women accept invitations to play in South Africa?

	TOTAL %	MALE %	FEMALE %	ALP VOTERS %	LIB VOTERS %	AD VOTERS %
YES	75	75	74	67	83	77
NO	18	19	16	28	11	17
DON'T KNOW	7	6	9	7	6	6

Source: Age poll



AUSTRALIA

SYDNEY DAILY CRITICIZES HAYDEN'S CAMBODIA EFFORTS

Sydney THE SYDNEY MORNING HERALD in English 13 Jul 85 p 26

[Editorial: "Bill Hayden's Other Front"]

[Text]

WHEN Mr Hayden was assailed in Federal Parliament in March over his controversial visit to Vietnam, he defended himself by insisting that his trip had yielded more substantial diplomatic results than had been recognised and said that a number of important points had been established in private conversations with the Vietnamese. Unfortunately, he said, he was not at liberty to disclose just what breakthroughs had been achieved.

That was four months ago and there is still no hint of what, if anything, has changed in the Indochina equation. On the face of it, nothing has changed at all. And Mr Hayden, chastened perhaps, has seemed ready enough to acknowledge as much in Kuala Lumpur, where he is attending the annual meeting of the ASEAN foreign ministers and their "dialogue partners" from the developed world.

As preparations for this meeting got under way, ASEAN came up with yet another proposal ostensibly

aimed at solving the Kampuchean problem. This centred on a call for "proximity talks" between the Vietnamese-installed Heng Samrin regime in Phnom Penh and the three resistance groups gathered together under the umbrella of the Coalition Government of Democratic Kampuchea. The idea was that while Heng Samrin, a former Khmer Rouge functionary, would not talk to any group which included his erstwhile leader, the murderous Pol Pot, he might be persuaded to talk to an intermediary who shunted between the various Khmer parties, each of whom would be sequestered in separate rooms at the same venue.

This idea, which brings to mind the efforts to resolve the Afghanistan problem, was never much of a starter. But the idea of proximity talks lurched decisively towards absurdity when the Thais, evidently with Chinese backing, hardened the proposal to encompass talks between the three resistance groups and Vietnam, with Heng Samrin attending as a puppet

on Hanoi's knee. This, Vietnamese officials made clear, was totally unacceptable, as ASEAN knew full well it would be.

Hanoi is not going to compromise Heng Samrin's position any more than the United States is going to buy North Korean suggestions that the future of that peninsula be solved at meetings involving Pyongyang on one side and Washington-Seoul on the other. The bottom line of all this is that nothing has changed in Kampuchea in the 6½ years since the Vietnamese invaded and nothing is likely to change in the next 6½ years.

It would be nice to believe that there was movement somewhere. Unfortunately, there is not. The Vietnamese are sticking to their guns and so are the Chinese. Hanoi has dismissed, privately and predictably, the idea of dealing, however indi-

rectly, with Pol Pot, the man it once helped to power, and its belated public request for more details of the ASEAN plan has all the hallmarks of a time-buying exercise. And China, which once did so much for Hanoi and which now bankrolls and arms Pol Pot, is not prepared to throw away the principal force that keeps Hanoi off-balance and advances the cause, however hopeless, of "bleeding Vietnam white".

ASEAN, recognising all this, has of late been devoting more and more attention to such matters as drugs, economics and the South Pacific. Mr Hayden, who has not exactly endeared himself to some ASEAN states as he has pursued his honest-broker role in Southeast Asia, seems to have decided too that the time has come to adopt a much lower profile on this issue.

CSO: 4200/1451

AUSTRALIA

AUSTRALIAN AID TO VIETNAM URGED

Melbourne THE AGE in English 11 Jul 85 p 21

[Article by Fiona Harari]

[Text]

The nucleus of the dairying industry in Vietnam is in a mess and, according to the national director of the Freedom from Hunger campaign, Mr Graham Alliband, suspension of Australian aid is to blame.

In a corrugated iron and bamboo shed, six hours drive from Hanoi, 60 people, many of them young women, sit on a dirt floor before open fires and stir cauldrons of milk. In summer the heat is intolerable. There are no sanitary precautions, and much of the milk which is processed is contaminated; the rest is usually sticky and thick, and difficult to swallow, he said.

Australian aid was to have provided the Vietnamese with a more modern unit 500 metres away. It was to have been the model dairy that could process milk for most of Hanoi and surrounding areas. But in 1979, when Australian aid to Vietnam was suspended, so was work on the project.

Mr Alliband yesterday urged the Federal Government to provide the \$1.3 million needed to finish the project, the largest of its type in Vietnam.

He said that although many babies and hospital patients in

Vietnam were suffering from malnutrition, large amounts of milk were being wasted because of Australia's failure to complete the plant.

"There are humanitarian reasons why we should be helping people at this basic level of improving diet and health care," Mr Alliband said. "There are nutritional needs in Vietnam which could be serviced by this milk but they are not. It is pretty desperate that they get adequate nutritious food."

"The Vietnamese themselves have put a very high priority on the completion of this project. It forms the nucleus of the dairying industry with the Hanoi Government."

Mr Alliband, who was charge d'affaires at the Australian embassy in Hanoi when aid was stopped, has just returned from four weeks in Vietnam, Kampuchea and Laos as part of a five-man delegation to see how non-government agencies could expand their humanitarian assistance to those countries.

Yesterday, he urged the Federal Government to increase its aid to Vietnam and Kampuchea

because of "our general humanitarian instincts".

He said Australia had adopted a more "open minded" policy to the two countries, and was now providing aid to Vietnam through international agencies. Asean countries, China and the US were providing none. However, he hoped that, if direct Government aid was not reintroduced, funds might still be allowed to flow to Vietnam through non-government agencies.

"It is very important to allow as many doors and windows to be open to the West, and Australia in part, so that relationships with Vietnam and Kampuchea can be broadened," Mr Alliband said. "And ultimately, Vietnam and Kampuchea can be in the position where they do not have to rely so much on the Soviet Union."

"It is certainly not in Australia's interests to have Vietnam so dependent on the Soviet Union as the one source for economic and military assistance."

Mr Alliband said that during his trip he found most people in Vietnam, Kampuchea and Laos held Australia in high regard.

CSO: 4200/1452

COOK ISLANDS

LEADER RELIEVED;TEREPAI MAOATE NAMED SUCCESSOR

Sydney THE SOUTH SEA DIGEST in English 9 Aug 85 p 1

[Text]

Cook Islands Prime Minister Sir Thomas Davis, whose coalition government was threatened with a "no confidence" motion tabled in Parliament and then withdrawn because of lack of support, has relieved Mr Geoffrey Henry, leader of the Cook Islands Party (CIP), of the Deputy Prime Ministership. Mr Henry had declared his support for the "no confidence" motion (SSD/v5/7). Mr Henry's successor is Dr Terepai Maoate, MP for Ngatangia, one of four Cook Islands Party members who refused to accept the party's central committee's unanimous decision to support the motion tabled by Mr Vincent Ingram, who is a member of Sir Thomas's party, the Democratic Party. The CIP has notified Sir Thomas that the coalition is now at an end.

CSO: 4200/1411

FIJI

## LABOR LOSES ROUND TO PRIME MINISTER

Suva FIJI SUN in English 3 Aug 85 p 7

[Article by Nemani Delaibatiki]

[Text]

PRIME MINISTER Ratu Sir Kamisese Mara won Round One.

Now he is shaping up to win Round Two of his long battle with the trade unions.

Round One was the threat of a national strike.

The Fiji Trades Union Congress mobilised its forces to hit back at unilateral imposition of a wage freeze by the government.

Ratu Sir Kamisese called their bluff. They backed down and retreated to their corner.

Preliminary sparring for Round Three is underway.

Ratu Sir Kamisese knows that the Tripartite Forum which used to act as a stabilising body in the past is no longer effective.

The political element rising from the wage freeze protest is a menace that he cannot leave alone.

In fact, it destroyed tripartism that was built up over the years.

To neutralise the new political force in the form of the Fiji Labour Party, led by Dr Timoci Bavadra, he had to find an alternative.

This week Ratu Sir Kamisese's economic strategists delivered a paper which was in turn circulated to the Fiji Employers Consultative Association and the Fiji Trades Union Congress.

The paper proposes the setting up of a National Forum to replace the Tripartite Forum.

It is a proposition for which the trade unions have little immediate answer.

The document encompasses not only the interests of the workers and employers represented in the Tripartite Forum but also

those non-unionised labour and rural farmers.

From the political point of view it is a plus for the Alliance Government.

The very section of the community that the Labour Party is trying to woo — farmers and non-unionised workers and those self-employed, have not been forgotten by Ratu Sir Kamisese.

The trade unions have little option but to look at the proposal.

To reject the proposal will be a big blow to its efforts to try and expand Labour Party support from the urban area to rural areas.

Employers can not see any loop hole in the proposal.

The stability they are looking for will be provided by the National Forum.

Whatever is decided will be done in the national interest — not just for one category of workers.

Round Three will be very interesting.

Trade unions have to come up with a counter proposal.

A general election scheduled for 1987 looks likely to take place next year.

There are several things that point to this.

Ratu Sir Kamisese, for a start, can not afford to be too complacent with emergence of the Labour Party.

To be able to maintain the upper hand over Labour he should not give much breathing space for it to prosper.

The appointment of a press secretary for a one-year term could be significant.

FIJI

## BOGUS ADOPTION INQUIRY URGED

Suva FIJI SUN in English 3 Aug 85 p 8

[Text]

SIR. — The Fiji Labour Party is concerned about the high number of reported cases of adoption of foreign nationals.

It can hardly be a coincidence or even the generosity of the government's concern that such a large number of adoption cases are being reported.

Sadly, unlike what would appear to be generally the case where young children are adopted, here people of working age are being added to the citizens list.

While it may very well be legally right, the circumstances must be carefully scrutinised and from what meets the eye it certainly appears to be highly suspicious.

The Fiji Labour Party calls for a full scale inquiry into:

- How many people have received permits on adoption basis?
- What have been the circumstances which have necessitated adoption?
- Who had in the first instance granted residential permits to facilitate the adoption process?

— KRISHNA DATT,  
[Secretary-General, Fiji  
Labour Party, Gordon Street,  
Suva].

CSO: 4200/1408

FIJI

BRIEFS

AUSTRALIAN PATROLBOATS REJECTED--Fiji has again rejected Australia's offer of four Australian-built patrol boats because, said Fiji Prime Minister Ratu Sir Kamisese Mara, his country was not able to pay the running costs, estimated at \$A360 000 a year. But he hoped Australia would accept a Fiji proposal for a Fiji-designed vessel to be built in Fiji, providing jobs for local shipbuilders. Ratu Mara said the Fiji boats would be better suited to local conditions and for the long distances covered by Fiji's exclusive economic zone which the boats would police. (SSD/v5/8) [Text] [Sydney THE SOUTH SEA DIGEST in English 9 Aug 85 p 2]

CSO: 4200/1408

INDONESIA

SUHARTO'S NATIONAL DAY ADDRESS TO PARLIAMENT

Jakarta ANTARA NEWS BULLETIN in English 16 Aug 85 pp 4-37

[Text] Honourable Speaker and Vice-Speakers; Distinguished Members of the House of the People's Representatives; Ladies and Gentlemen; Fellow Countrymen;

Tomorrow morning the whole of the Indonesian nation will celebrate the anniversary of its independence. Tomorrow morning our beloved Republic of Indonesia will be 40 years old. Tomorrow morning our National Independence will have existed for four decades.

As a nation that knows gratitude to God Almighty, we raise on high our prayers according to our own respective religions and beliefs, for the blessings and the protection that we have jointly enjoyed as a nation and as a state.

As a nation that regards introspection as a strength with which to make progress, every time we celebrate an independence anniversary, we always make the most profound contemplation of our experience in the past, both its successes and its difficulties. We wish to draw the best possible lessons from all those experiences of ours, including the mistakes, in entering upon the coming year. What is good, we will make better still, what is not good yet, we will set to rights. We will hold fast to what is running straight and we will straighten out what is running in the wrong direction.

As a nation of fighters determined to keep on making progress in the struggle to realize the nation's ideals, we will also look ahead. What we envision is not just beautiful hopes but, with full awareness, we must have the courage to look at the difficulties we will face. All this is accompanied by a firm determination to carry out what it is we want and simultaneously to tackle in all responsibility that difficulties we are going to face.

By comparison with the years that have passed, the celebration of this anniversary of our Proclamation of Independence has a special character.



What is special is that what we contemplate on this occasion does not encompass our experiences just in the past year alone. Nor will we look ahead just to the period of the year that faces us now.

This time, we need to contemplate our common experiences as a nation throughout the 40 years of Indonesia's Independence which was proclaimed on 17 August 1945 by Soekarno-Hatta on behalf of the Indonesian nation.

The Preamble to the Constitution states that with the Proclamation of Independence we have entered the threshold of the independence of an Indonesian state that is free, united, sovereign, just and prosperous. The Preamble to the Constitution, which is full of nobility and greatness, does not overlook to note that the Movement for Indonesia's Independence had led the people of Indonesia to the threshold of Independence.

Therefore, our contemplation this time will not overlook our experiences during the Movement for Indonesia's Independence since the National Awakening at the beginning of this century. Nor will our vision ahead be sufficient over just the one year facing us but it must reach the stage of take-off to the society of our ideals towards the close of this century.

In this way, we will be able to see the evolution and growth of our nation in quite a long historical period. In building a nation we need an historical outlook of such a kind that it sees far behind and, at the same time, looks ahead.

Meanwhile, let us just now limit our vision ahead to what has been outlined in the 1983 Guide-Lines of State Policy. In those Guide-Lines we have stated our determination to make this Fourth Five-Year Development Plan--REPELITA IV\*)--into an effort to create the foundational framework for materialisation of a just and prosperous society based upon Pancasila. We will further consolidate that foundational framework in REPELITA V, so that our nation will possess a sturdy and strong foundation for taking-off in REPELITA VI towards the end of this 20th century for materialization of the Pancasila society which is our ideal. Therefore, we need to concentrate our vision upon the actual application of Pancasila in our national development leading to that take-off.

In this way, we will see the whole of the course taken by our nation throughout this 20th century, beginning from the National Awakening at the start of the century and proceeding onwards to the stage of take-off at the end of this same century. Looking at our history throughout this century, we can feel how great is the significance of the history we have gone through in the past and how great too is the significance of the history upon which we will enter in the future. Understanding this will awaken the consciousness of us all to how great is the responsibility that lies on the shoulders of us all who live in this present time.

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REPELITA = REncana PEmbangunan Lima TAHun

In that long journey behind us and ahead of us throughout this century, it can be seen clearly that the central point was the Proclamation of Independence of 17 August 1945. The long and arduous struggle of the people of Indonesia during the time of foreign domination reached its culmination with the Proclamation of Independence. While our further course towards the coming stage of take-off is also founded on Proclamation of 17 August 1945.

The Proclamation of Independence of 17 August 1945 cannot be separated from Pancasila and the 1945 Constitution. Because, what was created by that Proclamation of Independence was the Unitary State of the Republic of Indonesia that is based upon Pancasila and the 1945 Constitution. All the concepts and outlook about Independent Indonesia that grew and developed from the beginning of the Independence Movement in 1908 reached completion in Pancasila and the 1945 Constitution. Thenceforth, the development to which we aspire in the sphere of independent Indonesia is none other than the advanced and prosperous society imbued with social justice, which is based upon Pancasila and the 1945 Constitution.

As I said at the last commemoration of the Day of National Awakening on 20 May 1985, the Movement for National Independence was a continuation, an enhancement and a renewal of the struggle of our national heroes from before that time: Cut Nyak Dhien, Teuku Umar, Si Singamangaraja, Imam Bonjol, Diponegoro, Hasunuddin, Pattimura and still many others yet. If the struggles of our great heroes did not achieve results, the reason was that their struggles still had a regional character. It was this regional character that we left behind from the moment of the National Awakening in 1908. From that moment, the thinking of our predecessors, the outlook of our leaders, the thoughts and outlook of our people began to expand to a national outlook. The national awakening also marked a new chapter in the struggle of our Independence Movement, that is the modern chapter. In other words, beginning this century, we pioneered a national outlook and a modern outlook.

And as I also said once before, if we speak of modernisation, our thinking is not confused at all by Western-like traits. For us, modernisation means what we do in our efforts to develop the fundamental values contained in our own society and culture, so that we can answer the challenges of the changing times.

In the Independence Movement with that nationalist and modern outlook, expressions arose bringing democracy to the fore, expressions arose bringing humanitarian aspects to the fore and expressions also arose that stressed the aspects of social justice. Because they constituted an Independence Movement with its sources in the spirit of nationalism, these expressions were extracted from the values embodied in Indonesia's own society and culture.

It was all these expressions, drawn from the nation's culture, that were later brought into the embrace of a complete and harmonious unity by the Founders of this Republic, by the Fathers of our National Independence, in Pancasila and the 1945 Constitution.

For 20 years after the Proclamation of Independence, from 1945 to 1965, we had to defend the Unitary State of the Republic of Indonesia that is based upon Pancasila against all kinds of threats and dangers. From 1945 until the recognition of our sovereignty just before the end of 1950, we fought in the War for Independence. And through a long and arduous struggle our nation succeeded in completing the territory of Indonesia once more by regaining Irian Jaya in 1962, which was formerly still in the hands of the Dutch.

After the recognition of sovereignty and in the succeeding years we fought against the threats from federalism, separatism, racialism, regionalism, the extreme right and the extreme left. It was not seldom that all these threats and dangers were mixed together with foreign subversion.

We feel all of this to be part of the evolution and growth of our nation to maturity. All those things are most valuable lessons, even though we had to pay for them so dearly.

When we had overcome the betrayal of the PKI \*) revolt at the end of 1965, the stage of defending and saving the Unitary State of the Republic of Indonesia that is based upon Pancasila and the 1945 Constitution, basically had been concluded successfully, with all its valuable experiences and lessons drawn at so high a price.

Nevertheless, we may never stop being vigilant. We must even always introspect ourselves and consolidate what we have in the ideological, political, economic, socio-cultural, and defence and security fields.

I often warn that threats to Pancasila and the 1945 Constitution come not only from outside or from other ideologies or concepts, but can also come from us ourselves if we do not put Pancasila and the Constitution into practice whole-heartedly, filled with honesty and sincerity.

Once the phase of defending and saving the Unitary State of the Republic of Indonesia that is based on Pancasila and the 1945 Constitution could be said to be stable, we immediately entered upon the stage of national development, as a continuation of the struggle to give substance to Independence.

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PKI = Partai Komunis Indonesia - Indonesian Communist Party

The national development we conceived and that we are carrying out is likewise not just development at random. On the contrary, it is development as practical application on Pancasila, just as we affirmed in the 1984 Guide-Lines of State Policy. Our affirmation that national development is the practical application of Pancasila constitutes the determination of us all to safeguard and to consolidate the ideals of Independence.

Those first stages of national development, too, we have passed through safely, after carrying out REPELITA I, REPELITA II and REPELITA III in the context of reaching the targets of long-term development, namely, materialisation of the foundations for the just and prosperous society based upon Pancasila. We are now in the midst of carrying out REPELITA IV which we hope will form the foundational framework for such a society.

If now, on the eve of the anniversary of the Proclamation tomorrow morning we visualize the national tasks that lie ahead, we see that they are to continue national development as the practical application of Pancasila, so as to create a sturdy foundation that will enable us to take-off, just before the end of this 20th century, towards the materialisation of the Pancasila society.

Fellow Countrymen;

That national task is our common duty which we must face together it is the duty of the whole of this nation of Unity in Diversity. This means that--regardless of our origin, regardless of our social status, regardless of our religion and our ancestry--we must be aware of and must understand our role and must make the greatest possible contribution to the attainment of the national goals which are our common objectives.

In the context of bearing the common task of building the future, it is important for us to give special attention to the process of the change in generations which is now taking place ever more swiftly.

The process of regeneration is a normal and natural process. That process is experienced in all era by every other nation there is. That process is taking place and will continue to take place, both within the ranks of the 1945 Generation itself, and amongst those who pass from the 1945 Generation to the Succeeding Generation. Indeed, this process does not take place all at once. But definitely the time will come when the 1945 Generation will have ended its time of service, will have completed its historical duties.

Meanwhile, there are special reasons for us to pay heed to the process of regeneration from the 1945 Generaion to the Succeeding Generation, which has gone on and will continue to go on.

Those reasons are that what is bequeathed by the first generation in the life of an independent nation and state, that is, by the Liberating Generation, will have great influence upon the further history of the growth and evolution of that nation. That is to say: whether that nation will continue to be able to further its existence and development in continuity.

It is the noble task of the 1945 Generation--and even more so for the continuation of the history of our nation for 10 years, 20 years, 30 years and even for centuries to come--to complete the historic duties of the 1945 Generation as well as possible.

Therefore, for the sake of the continuity and the stable existence of our nation and state in future, for the sake of the continuity and the enhancement of national development as practical application of Pancasila, the process of regeneration in the best possible way is the common responsibility of the Liberating Generation and the Succeeding Generation, the common responsibility of the whole of our nation.

Amidst the happy atmosphere of the commemoration of four decades of our national independence, our hearts are filled with feelings of gratitude and relief because these two generations are today working together side by side, the one with the other, until the moment eventually arrives when the younger generation will hold all the responsibility for carrying on development to the full. By this means we are pioneering together a good path so that in the journey of our future history the earlier generation will be replaced by the next in an orderly way, filled with understanding, in an atmosphere of the family spirit, just as is desired by the way of life of our nation and state.

Fellow Countrymen;

We can now feel relieved that, in order to ensure the continuity, stability and sturdiness of further evolution of our nation and state, we have affirmed Pancasila as the sole principle in our life as a society, as a nation and as a state.

This constitutes an extremely important and fundamental national resolution.

This resolution was the step we took to lay the foundational framework in the ideological and political fields to make preparation for the coming stage of take-off.

When the political parties were set up in 1945, we stipulated only that political parties must support the struggle for national independence. At that time, no one thought about determining the relationship between the principles plus characteristics of a particular party and the basis of our state, Pancasila, plus the ideals of the nation's struggle to build a Pancasila society.

The lack of a linkage between the principles plus ideals of the parties and the basis of the state plus the ideals of the nation once gave rise to attempts to alter the basis of the state. We went through all kinds of attempts to change the basis of our state, from the refined and covert means that appeared to be peaceful and democratic, to attempts taking the form of armed rebellion. We have felt the consequences of all that. Those consequences have been protracted mutual suspicion amongst us, even giving rise to conflicts, dissensions and divisions in our life as a society, as a nation and as a state.

In the context of laying down the foundational framework in the ideological and political fields, we must, on the one hand, finalise this matter once and for all so there are no further repetitions in the future, and, on the other hand, we must consolidate our efforts to attain the goals of our national independence, that is, to build a Pancasila society.

In that context also, all of us who are alive today feel happy because we have contributed something fundamental for the continuity and stability of the future existence of our nation and state, by determining Pancasila as the sole principle in life as a society, as a nation and as a state, which applies both to the social and political forces and also to social organisations.

We have no other aim than to make all the ranks, groups, forces and generations of our nation, united over the bases and ideals of their nation and state. In this way all the ranks, groups and forces of our nation will be spared from spiritual conflicts and tensions that become the source of divisions and wounds in the nation.

Conversely, with our common affirmation that Pancasila is the sole principle in our life as a society, as a nation and as a state, we will compete with one another to make our best possible contribution to the execution of national development as the practical application of Pancasila.

I wish to remind us all that, having Pancasila as the sole principle, does not in the least imply limiting the scope for the religious life is the ranks of our society. Nor are there any grounds for the fear that Pancasila will be made into a religion, or that religion will be Pancasila-ized. Nor is there any need for fears that, with Pancasila as the sole principle, the freedom to associate, to assemble and to express opinions is going to be limited. We have all pledged that the entire spirit and all the articles of the Constitution will be followed as honestly as possible, because we are convinced that by doing so we will be able to live orderly, methodically, peacefully, dynamically and eternally as a nation.

The mass organisation law we have is there precisely to give more guarantees for exercising the freedom to associate and assemble. We are even giving positive orientation to that freedom by a sense of responsibility for carrying out development as the practical application of Pancasila.

I wish to use this opportunity, Honourable Speaker, to convey my thanks and appreciation to all the Members of the Honourable House, who, working together with the Government, completed the Law on the Political Parties and the Functional Group, the Law on Social Organisations, the Law on the Referendum and the other Laws in the political field that are important for consolidating Pancasila as the basis of the state and the national ideology, as well as in promoting the execution of Pancasila democracy. I also wish to convey the same feelings of gratitude and appreciation to the other leaders of society, to the thinkers and to all ranks and groups who contributed creative and critical ideas so that we have been able to possess those important laws at present.

A most valuable lesson we have been able to draw from our common experience in finalising these laws which are related to such fundamental matters is that with the spirit of mutual deliberation and the principle of the family spirit, we can solve complicated and intricate matters in the best possible way.

The growth of the spirit for deliberating to reach consensus is the outcome of our perseverance during these last 20 years in our determination to abandon the previous political behaviour and culture that regarded politics as power struggle, power forming and power mobilisation to oppose other groups, even though those groups were part of the big family of one's own nation. The growth and development of a political culture with a more family-like atmosphere means great progress in our political evolution so far. Furthermore, there is another great progress, namely the constitutional tradition that we have adopted during this New Order period.

If we have made total correction and reform of the previous era, then the total correction and reform carried out by the New Order has been none other than to straighten out the deviations and to correct the mistakes in carrying out Pancasila and the 1945 Constitution. If constitutionally the (Provisional) People's Deliberative Assembly once asked the President to account for his responsibility, and adopted subsequent decision about that account for responsibility, all of this was also done constitutionally. This is a guarantee that there will never again be any organ of the state whatsoever that infringes the constitutional rules we adhere to. The tradition of democracy and the tradition of upholding the constitutional life have now developed ever more strongly so as not to be ignored by any organ of the state whatsoever.

All this answers the question why it is that during these last 20 years we have been able to consolidate national stability. However, for times ahead we must all constantly stimulate the creativity of the people in development in all fields, both in the political, economic, social, cultural, defence and security and other fields as well.

The consolidation of such dynamic national stability cannot be separated from the development we have been able to carry out in the field of defence and security in the broad sense.

Experience since the Proclamation of Independence has proved that we have never been free from various threats, disturbances and dangers undermining the continued existence of our nation and state. We are grateful that we have succeeded to overcome all this in the best possible way. Nevertheless, we still feel today that we must continue to be on guard against all kinds of threats, disturbances and other sources of unrest.

Therefore, we will constantly heighten the national vigilance and preparedness that is based upon the consciousness of every single citizen to defend the state, upon national unity and cohesion, upon the oneness of the Armed Forces with the people and upon the toughness and capability of the Armed Forces themselves as the nucleus of the state's defence.

In our efforts to possess modern and tough Armed Forces, for some years past the Armed Forces have been reorganising themselves, enhancing their integration and consolidation. We envisage small Armed Forces but possessed of effective strength, which our state finances are capable of supporting. To this end we have carried out much modernisation of the Armed Forces' equipment, made reorganisation and have raised their professional ability whilst still preserving the spirit of a true fighter in every soldier.

Together with this, the best possible implementation of the Dual Function of the Armed Forces has made a big contribution to the consolidation of dynamic national stability, so that the Armed Forces have been able to contribute their role as stabiliser and dynamist to the development of our democracy in particular and to our national life in general. The Dual Function will continue to be inherent to the Armed Forces as one of the elements of the dynamic implementation of Pancasila democracy. This is all the more true with the Basic Law on the Defence and Security of the State, in which the Dual Function of the Armed Forces is stipulated.

Meanwhile, as members of the world community, we are aware that world developments will always influence our evolution and growth as a nation.

The influence of the world and of external factors has been felt ever since we were colonised by a foreign power. It was these relations with the world, among other things, that helped inspire our predecessors about the form of an independent Indonesia for which they fought, though they adjusted it to the values and culture and to the needs of their own people. The National Awakening in 1908 was clearly influenced by positive elements from modern ideas that came from outside. The Proclamation of Indonesia's Independence in 1945 was the right answer, at the right time, and with right action adopted, after our leaders had taken into account all the developments and possibilities, both because of the rising tide of our own spirit of independence and also because of careful calculation of developments in the world at that time.

The first sentence of our Constitution recognises that we need to bear responsibility for world developments. It is said there that colonialism must be abolished in this world because it does not conform with humanitarianism and justice. The Preamble to the Constitution also ordains us all that in the sphere of independence we, too, must bear the noble duty of helping implement an order in the world based upon independence, abiding peace and social justice. All this means, that our struggle not only encompasses ideals about our own society, nation and state, but also concerns world society in general.

In giving heed to world developments, we try, on the one hand, to see to it that these developments are not damaging to our struggle; we must even try to see to it that world developments are very beneficial for our struggle. On the other hand, we must strive that everything contrary to humanitarianism and justice is abolished, and, further, that an order in the world is created which is based upon independence, abiding peace and social justice.



When we declared Indonesia independent 40 years ago, in reality, we also carried out the first duty in the foreign field, namely, we abolished colonialism from our own soil. This was our first contribution to a world that is more free.

If in 1975 we made positive response to the people's movement in East Timor to set themselves free from the shackles of foreign colonialism, and if we accepted the aspirations of the East Timor people to integrate themselves with their own nation, the Indonesian nation, then those also were steps taken in the context of abolishing colonialism, in conformity with the aspirations of the struggle of the Indonesian nation and of the nations of the world in general. With a great sense of pride today we can see the progress the people of East Timor have made, now that they have been implementing development for 10 years together with their brothers of the same nation and homeland in other parts of the country.

In the former struggle for independence, we relied upon our own strength. This has made our nation to be possessed of a strong sense of self-confidence. This gave birth to our independent and active foreign policy, which is also closely related to the division of the world into two mutually contending blocs. Active independence implies, on the one hand, that since the beginning we have not taken sides with either of the blocs, but continue to be active in adopting attitudes and taking steps in the context of carrying out an order in the world that is based upon independence, abiding peace and social justice. Whilst, on the other hand, we will accept the extending hand from anywhere at all parallel to our principles and interests. Therefore, when in the years after the Proclamation of Independence the Non-Aligned Movement was born, in reality it was not that we entered that movement, for we had been non-aligned since the Proclamation of Independence.

As a nation that upholds independence for every nation, as a nation that has suffered the bitterness of external intervention, in its subsequent evolution we have kept on stressing our stand and our endeavours that in the international order of relations all states should avoid interference in the domestic affairs of other countries. Meanwhile, we constantly try to stimulate the growth of cooperation among nations for constructive aims to build up world society, particularly that of the third world.

In the context of all this, we are grateful for the support--especially from Asia-Africa--for our former struggle for independence. In the context of all this also, we felt happy to host the Asian-African Conference, whose reverberations of the Ten Principles of Bandung can still be heard until today. We are also happy that we were one of the pioneers of the Non-Aligned Movement and until today, together with other members, we are trying hard to preserve the purity of this movement against the tuggings that seek to manipulate it.

One of the most significant forms of our tasks in the field of world well-being is the birth of ASEAN, which we are building up together with the other member-states. Within itself, ASEAN reflects the determination of

its member-nations to create common calm, tranquillity, progress, prosperity and happiness for the peoples of this region.

In order to carry out the precepts of the Preamble to the Constitution, we have also, within the limits of our capacity, extended a helping hand in the form of expertise and other assistance to our fellow developing countries.

40 years since we became independent, many great changes have taken place in the world. We still feel that the world is far from safe. The arms race between the world major powers still shows no sign of coming to an end. We also still see the dis-equilibrium among mankind in attaining progress and prosperity. In the field of science and technology, the world has made extraordinary progress, so it seems as though there are unlimited opportunities for mankind, either to achieve the greatest possible prosperity or to bring unprecedented self-destruction.

In a world filled with hopes and menaces as this, we must be clever in steering our foreign policy so as to safeguard our determination to keep on moving towards the stage of take-off in our development as practical application of Pancasila.

Fellow Countrymen;

The Preamble to the Constitution ordains us all that, in the sphere of independence, we must be capable of improving general well-being and enlightening the nation. It is this precept that we must use as our yardstick for measuring the progress of our development in the current 40 years of our independence.

In brief, with a sense of gratitude and happiness we can feel that the level of general well-being and of the enlightenment of the nation have undergone meaningful progress.

In REPELITA III we were able to lift ourselves from the group of nations with a low income into the group of nations with a medium income. And we are still more grateful yet because what we achieved as a whole in becoming a nation with a medium income was accompanied by equitable distribution; at the very least, we managed to reduce the poverty-stricken ranks of society.

We succeeded to achieve all of this because the important steps taken in our development have so far been oriented to economic growth ensuring equitable distribution and improved general well-being. If we concentrated our development priority upon the agricultural sector, obviously our aim was to raise the income and the well-being of the millions of farmers and their families who form the largest segment of our society. We are also proud and thankful that this priority for agricultural development made our nation self-sufficient in foodstuffs.

The constant attention for enhancing the abilities of the economically-weak group holds the aim of raising the abilities, the incomes and the well-being of a large group of society. We are directing many different undertakings to raise the income and prosperity of handicraft workers, fishermen, farm laborers and all the other small people.

Similarly, the special attention given to the development of the Provinces, the Districts and all the other sub-divisions down to the Villages, the distribution of large-scale development projects in all areas, the constant implementation of transmigration, are aimed simultaneously at securing equitable development in all areas and at opening the way to raising the income of the population.

I have very special interest for rural development, in particular as regards execution of the Village INPRES\*), which are very significant for the development of our villages. In order that effective use can be made of these Village INPRES funds, which are made available every year, I am going to take steps to ensure that the Village INPRES are provided directly to, and can be received by, the Heads of Village throughout the whole country through bank accounts. By this means it can be guaranteed that the Village INPRES funds will be transferred in full to all villages without any reduction at all.

Meanwhile, the level of the people's well-being is also becoming increasingly better. Various basic necessities for the people such as food, clothing, public housing, the provision of educational and health facilities and others are increasingly better and more evenly distributed. Similarly, the wider distribution of clean water and electricity in the villages, the improvement of urban and rural environment, the expansion of health services and the eradication of disease, the expanding nutrition improvement, the growingly sport-mindedness of the people and still many other things, all show that the level of general well-being in our communities is growing steadily better. The continuing decline of the mortality rate of the average inhabitants and the increasingly longer life-expectancy of the average Indonesians today clearly means the growingly better standard of well-being of our general public.

Our success in improving the general well-being can also be seen plainly in the nationwide successful family planning program, one of the aims of which is to improve the welfare of mother and child, besides being for population control. We feel much encouraged at being one of the nations among the developing countries that has been successful in carrying out this difficult family planning program. At the present time there are about 6 out of every 10 couples of fertile-age who are following the family planning program in full awareness, with almost 16 million active participants in family planning.

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INPRES = Instruksi PRESIDEN = Project aid by virtue of Presidential Instruction.

Even though in connection with this 40th anniversary of our independence we can be thankful for the advances we have made in improving the general well-being--to a level far better than when we were colonised and than before we commenced implementing development--nevertheless our tasks in enhancing public well-being will still be numerous.

There are still great and serious problems ahead of us that have not been basically solved until today, namely the problem of fields of employment and the problem of manpower.

We are mobilising all our funds and forces to see that the growth of our economy can expand job opportunities. However, if we succeed in stimulating our economic growth by an average 5% a year throughout the current REPELITA IV, we will still face the challenge of the fact that no less than 1.8 million additional work force every year must obtain work. Besides, we must still try to expand fields of employment for the manpower that has still not been able to get suitable work opportunities.

All this makes us aware of how great and how hard are the challenges that we must overcome together in the years ahead.

Meanwhile, the enhancement of enlightening the nation's life constitutes one of the major achievements of our development up to now. In education, as from the beginning of REPELITA IV we have been able to introduce the compulsory education movement, which we could carry out after many previous years of large-scale construction of primary school buildings in all quarters of the country. The number of our children and young people who attend junior high schools, senior high schools, vocational schools and on to higher education, has multiplied tremendously. Certainly, our further challenge is to improve and to expand these facilities for education still more, precisely because with all these advances the desire of our children and young people to obtain higher education cannot yet be fulfilled satisfactorily until today.

We understand that the message of the Preamble to the Constitution to enlighten the life of the nation has wide and deep significance, wider and deeper than education in schools. Therefore, we keep on with non-formal education, such as education for adults, family welfare education for women, and it truly has very great benefit both in enhancing the enlightenment of the nation and in directly improving the general well-being.

Meanwhile, with all the shortcomings that still exist and with the continuing need for us to improve the situation, we have all witnessed the great increase in the number of reading books, publications and various kinds of magazines. Radio and television broadcasts, the growth of a free and responsible press, the national dialogues that often occur about various problems that we face together, discussions, seminars, upgrading course in the Guidance for the Perception and Application of Pancasila (P-4)\*, are all

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P-4 = Pedoman Penghayatan dan Pengamalan Pancasila

facilities and simultaneously important indications of the enhanced enlightenment in the life of our nation in the broad sense.

In particular, we are aware of how important mastery of science and technology is for the progress of our nation in future. In order to be able to achieve a take-off we need to make greater progress in this field of science and technology in coming years. What we need is not only application of what we have to date, but we must master and develop science and technology ourselves. Efforts in this direction have received great attention from us in recent years.

Obviously, the mastery and application of science and technology need to be based on and be balanced by morality and noble idealism, such as the aspects of religion and faith, ethics and culture, the aspects of humanism, the aspects of social and national solidarity, the aspects of populism or democracy and the aspects of social justice and the like. We can add further that the application of science and technology is frequently not sufficiently related to aspects of conservation of the environment and conservation of natural resources. By giving the best possible attention to all these aspects in the planning and implementation of national development as the practical application of Pancasila, our ideal is to build an advanced, just, prosperous and lasting society based upon Pancasila that will not repeat the crises in the life of other modern societies today.

Fellow Countrymen;

The enhancement of the general welfare and of enlightenment in the life of our nation that we have achieved up to the present stage of growth is due to the economic growth and increased production in all fields, as a result of the economic development we have carried out.

Our rice production in 1984 reached 25.8 million tons. In this sector we can record the most encouraging progress. As a country that, after independence, always imported and was even once the largest rice importer, but after we have carried out three Five-Year Plans emphasising development in the agricultural sector, we are today self-supporting in rice.

This is a very praiseworthy achievement, as it is the outcome of the efforts and hard work of us all. This could be done only due to the correct orientation of development, that is, giving priority to agricultural development, translated into well-directed and integrated programs, encompassed in the agriculture intensification program with "Five-point Undertakings" equipped with the "Four Facilities" and with the support of consistent and continued Government policies, which included: the provision of an adequate budget for the development of infrastructure, especially such irrigation infrastructure as dams, primary, secondary, tertiary irrigation channels, tidally-controlled rice-fields, the making of new rice-fields and so forth; the adequate supply and the smooth distribution of such production inputs as high-yielding seeds, fertilisers and insecticides; capital assistance to farmers, such as soft-term credits and subsidised prices for production

in-puts; intensive and accurate instruction about the methods of planting in keeping with the requirements of technology and also smooth processing, assured markets with guaranteed reasonable prices of the production outputs.

The orientation of development, the translation of programs and the support of policies such as I mentioned just now always need to be monitored, to be re-evaluated and then have their implementation improved, so that we can find ever more solid methods and techniques and thus able to increase the per-hectare yield to the optimum. Even until today, the efforts to increase rice production must still to be continued. Besides continuing studies to improve execution of pre-harvest methods, what is then mostly needed is the effort to overcome post-harvest problems, such as harvesting methods, drying, transporting and storing the grain or unhusked paddy which we still feel today are not very efficient and which lower the quality and the effective quantity of rice production. The problems remain as challenges and they await the most correct answers from us.

Meanwhile, progress has also been made with other agricultural products with increases in volume and quantity from year to year, as with secondary crops, stock-raising, fisheries, estates and the rest.

Nevertheless, what we have attained are only initial successes that we must still enhance, expand and improve still further in the years ahead, in order to create a strong foundation in the economic field with its foundational framework in a reliable agricultural sector besides an advanced industrial sector.

In the long term, we will continue to give much attention to development and growth in the agricultural sector in the broad sense simultaneously with efforts to accelerate development in the industrial sector, in the context of achieving a balanced economic structure at an advanced level as between the industrial and agricultural sectors.

As we all know the role of the agricultural sector is extremely strategic, not only in the context of reaching self-sufficiency in foodstuffs, but also in the context of expanding sources of foreign exchange earnings from non-oil/gas commodities. Even more than that, agricultural development provides job opportunities in the rural areas and raises the income of the farmers, who form the largest segment of our society, so it means undertakings that directly raise the standard of the people's well-being and simultaneously increase the community's purchasing power, which will be a stimulator for the development of our industry and economy in general.

The development and growth of agriculture, which is centred on the rural area, we are relating simultaneously to efforts to promote and stimulate the growth of cooperatives, which must become one of the main pillars of our national economy. At present, almost every village unit area has a village unit cooperative, as a primary cooperative serving its members, who are no other than the rural inhabitants.

Beginning from activities centering upon the distribution of agricultural production in-puts such as fertiliser, seed and pesticide, which have a big role in increasing agricultural production, that of rice in particular, from time to time therefore, the cooperatives have shown an increasing ability, so they can take part in handling the supplies and the marketing of such agricultural products as rice, secondary crops, small-holders sugar-cane, cloves, fisheries products, live-stock and other agricultural outputs. Similarly, cooperatives are growing among the ranks of the small industries, handicrafts, transportation, credits, savings and borrowings and still many other things. The number of our cooperatives is now over 26,000 scattered all over the place, with more than 16 million members and the value of their enterprise is no less than Rp 1.4 trillion. \*) In brief, this [pp 29, 30 missing]

Together with the great progress we have made in the agricultural and industrial sectors--two sectors that are important for stimulating the growth of our economy--we have also made much progress in the sectors of communications infrastructure and of infrastructure for agriculture and industry. We have built many roads and bridges and are continuing to do so; we have upgraded railway lines, built harbours and wharves, and increased transportation capacity on land, at sea and in the air. We are continuing to expand telecommunications and postal networks. We own increasing numbers of large and small dams and all the irrigation networks needed to increase the production of foodstuffs and also for the control of floods. We are building power stations capable of generating the growth of industry and of providing electricity to the houses of the population from city to village.

The construction of all this infrastructure and facilities is clearly not only aimed at achieving economic growth but is simultaneously directed at enhancing the general welfare, besides having a role in strengthening the unity and cohesion of the nation. With the ever better and more extensive communications infrastructure and facilities, communications grow easier between one region and another, the relations of one community and another grow closer within the territory of our extensive archipelago. The development of economic infrastructure and facilities has already stimulated the growth and development of the economy in all regions and the growth and development of the community's activities in economic undertakings. In other words, the development of economic infrastructure and facilities stimulate ever-stronger national unity and ever-wider equitable development.

The progress we have made in all these different sectors of development were obviously made possible by the availability of adequate sources of finance, obtained through the mobilisation of investments from year to year, both originating in private and public savings, as well as from domestic and foreign sources. It is most encouraging that, in keeping

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1 Trillion = 1,000,000,000,000

with our determination and our hopes, the domestic sources of financing keep on growing larger than those that come from abroad, which indeed are only supplementary.

We will continue to intensify efforts to increase our capacity to supply funding from domestic sources in the context of trying to achieve the ability to take off on the basis of our own powers in REPELITA VI later on by, among other things, enhancing our consciousness of the obligation to be responsible tax-payers. No matter how things may be, now that, since 1983, we already have national tax laws, we have entered a new chapter in the mobilisation of sources of funds from within the country itself, which are simpler and more equitable. In addition to this, the drive for savings and for the sale of bonds to finance large construction projects that involve the public interests will also be constantly intensified.

So, too, private investment of both foreign and, more importantly, of domestic capital will continue to be stimulated, amongst other things by simplifying and facilitating permit procedures for sectors that are still open.

Meanwhile, even though it is not yet too rosy, the state of our balance of payments as a whole shows growth from one year to the next, and is still capable of supporting development. At present, we have quite substantial foreign exchange reserves to meet our needs, amounting to more than 10 million U.S. dollars. But we must certainly remain careful in using those reserves, because we are still going to face problems caused by the still undertain oil prices and by developments in the world economy which is still gloomy.

On this occasion, I need to affirm that the Government sees no grounds for making any devaluation such as has been lately assumed by some circles.

Meanwhile, we will keep on trying with our utmost strength to increase non-oil/gas exports; on the one hand, in order to increase our foreign exchange earnings while, on the other, to reduce our dependence on foreign exchange receipts from oil and natural gas which obviously contain vulnerabilities.

Honourable House;

All the evolution of our nation up to its present stage, both its success and also its difficulties, is not to be separated from the execution of duties by the government apparatus.

Ever since we entered upon the stage of development in the real sense, constant improvement has been made in the execution of duties by the government apparatus, both through improving the organisation, the administrative engineering and also the personnel, inclusive of better welfare, heightened discipline and greater devotion to duty. Developments to date indicate that the state apparatus play an ever bigger and more central role in the life of our nation and state, especially in activating development.



Obviously, we need such a role from the apparatus. On the other hand, however, we must be cautious lest it blocks the space for the enthusiasm and initiative of the public themselves. That is the reason why, besides constantly raising efficiency and making improvements to the administration, its dedication and motivation is being developed in bringing greater progress for their nation.

Greater weight is attached to a clean and authoritative apparatus. This means not only becoming an apparatus that is not corrupt or that does not damage its own image by other unpraiseworthy acts; but it must also become a force stimulating reform and development in the community. Parallel to our desire that the enthusiasm and initiatives of the public themselves must be constantly developed in the context of broadening national responsibility and in the context of raising national efficiency and of fighting against high-cost economy, I issued Presidential Instruction No 4 this year which is already widely known. Meanwhile, we have kept on developing institutions and methods supervising the execution of duties by the apparatus, so that supervision over it is growing more effective; whether the supervision is exercised by the supervisory apparatus of the Government itself or by the people's representative bodies and by the public itself. We intend all these measures to build an apparatus of government that is clean and authoritative, that is strong yet controlled.

Fellow Countrymen;

With all the shortcomings that we still feel around us, on the eve of the anniversary of the Proclamation of Independence tomorrow morning, we can say thankfully that we have done much as a nation during the 40 years of our independence.

As a nation, we have been able to pass the difficult moments in our evolution and growth to become a more mature, a more adult and a more resilient nation.

During the first 20 years after the Proclamation of Independence, we underwent all kinds of trials and upheavals in our body. All of them we regard as part of our common experience and our common responsibility. What is important is that we have been able to learn most valuable lessons from all those experiences.

In the subsequent 20 years we entered upon the era of development as from 1966 and on until today. As was the case with the lessons we learnt from the previous 20 years, for this 20 years of implementing development, too, we must have the courage to learn in all honesty the valuable lessons from the era of development until today, lessons both from its successes and also from its difficulties.

Our predecessors, our heroes, our fighters in the struggle, gave everything they had to us all, so that for 40 years now we have been an independent and respected nation among the society of nations in the world. Today, we have even begun to feel the progress and prosperity, having carried out three REPELITA and now being in the midst of REPELITA IV.

At this moment, we all convey our highest respect and our most sincere appreciation to our heroes who, together with all segments and groups of our nation, made the greatest sacrifices in the common struggle during the past 40 years to defend the Unitary State of the Republic of Indonesia that is based upon Pancasila and the 1945 Constitution.

That respect and appreciation we also address to the millions of Indonesian nationals who are still alive today and who took part in that struggle, whether it was in the form of a military struggle or a struggle in ideological, political, diplomatic, economic, cultural, religious, scientific, technological or other fields. In the context of the continued struggle in future, our state and nation still expects dedication from them all, irrespective of the question as to whether they are retired servicemen or pensioners. Because, for a fighting nation there is no end to the struggle. And a fighter in the struggle, whose slogan is once a fighter, always a fighter, will never cease fighting for the nation's ideals so long as he is still alive.

If today, just before the celebration of the 40th anniversary of our Proclamation of Independence tomorrow morning we express our deepest gratitude and our most sincere respect to our predecessors, we hope that in the future on the days when our nation commemorates the Proclamation down the ages, coming generations too will express gratitude as deep and respect as sincere to their predecessors as we give to our preceding generations.

That hope of ours is not by any means a matter of arrogance on the part of us who live today. That hope arises from our common responsibility to our own history: the history of the past that gave birth to us and raised us to become an independent nation; and to the history of the future for the sake of the glory and the good reputation of Indonesia.

Thus the life of the present generations will have a profound significance. Not only for the progress and well-being of us who live in this present era, but for the sake of the continuity of history, for the glory and prosperity of those who live in coming era.

With the deepest understanding of those great and heavy tasks, the one and only path for us to take is to carry out as well as possible the tasks of laying the foundational framework in this present stage of take-off towards the Pancasila society that is our ideal at the end of the 20th century can proceed smoothly and safely.

With the determination to enter upon the stage of take-off towards that Pancasila society, we express our confidence and conviction that the time will certainly come when we reach a stage no less advanced than that of the progress achieved by many other nations, whilst we still maintain our own identity. Herein the additional importance in the meaning of our determination to implement development as practical application of Pancasila. Because we are not developing just for the sake of developing, let alone

to merely copy the style and model of some other advanced society, with all the crises they undergo in consequence of the progress they have made. What we wish to build is the Pancasila society that preserve the integrity of human beings, that ensures a balance between physical progress and spiritual peace, that ensures a balance between man and his society, that ensures a balance between man and the environment he inhabits, a balance between the pursuit of happiness in this world and of happiness in the hereafter.

May God Almighty, the Most Loving and the Most Compassionate bless us all.

Thank you.

CSO: 4200/1453

INDONESIA

INDONESIA NOT ISLAMIC STATE, MINISTER SAYS

Jakarta ANTARA NEWS BULLETIN in English 14 Aug 85 pp A3, A4

[Text]

Jakarta, Aug.13 (ANTARA).--- Indonesia constitutionally is not an Islamic State, despite the fact that around 90 percent of its population are Muslims and it is not a secular state either, however, it is a Muslim country with Pancasila (the five principles) as its state philosophical foundation.

The Religious Affairs Minister Munawir Sjadzali pointed out this when opening an International Seminar on Islamic Studies in the building of LIPI (the Indonesian Institute of Science) here Tuesday.

Munawir said that Indonesia also disagrees with secularism which rejects the state's involvement in religious life.

Despite the distance of Indonesia from the heartland of Islam, Munawir stressed that Muslims in the country are not less committed to Islam than their co-religious brothers who live closer to the birth place of Islam.

The minister said that religious instruction is compulsory from elementary school to university.

There are over 21,000 Islamic religious elementary schools, 4,470 Islamic religious junior high schools and 1,300 Islamic religious senior high schools, totalling over eight million pupils and students.

Besides this, there are 14 state Islamic universities throughout the country handled by the Ministry of Religious Affairs out of 42 state universities administered by the Ministry of Education and Culture.

Munawir stated that Indonesia has an Independent Council of Ulemas which is called "MUI" (the Indonesian Ulemas Council) and was founded in 1975.

This council plays a role in translating the government's policies into the "language" understood by "UmMah" (people) and is also expected to give solicited and unsolicited advice to the government on religious matters.

CSO: 4200/1248

INDONESIA

JOINT HIGH-TECH PROGRAM WITH FRG TO START SOON

Jakarta ANTARA NEWS BULLETIN in English 8 Aug 85 p A6

[Text]

Munich, Aug. 7 (ANTARA).-- A joint program on hightech industry between Indonesia and West Germany through a joint venture company New Transport Technology (NTT) will be started soon.

This was disclosed by Prof. Dr. B. J. Habibie, NTT President Director to Antara after he led a meeting of the company's board of directors in Munich, Tuesday.

The program, covering hightech in general and aviation in particular, is aimed at meeting the demand of international market by the end of this century, Habibie said.

Without detailing the program Habibie said that the research and development activities of this program would be fifty per cent made in Indonesia and the remaining 50 per cent in West Germany.

NTT, jointly built by the Indonesian aircraft industry PT. Nurtanio and the West German aircraft industry MBB (Messerschmitt Boelkow Blohm) in 1984, is a joint venture company under fifty-fifty basis.

The meeting was attended by Dr. Vogels, MBB President Director in his capacity as president director of NTT, Pfeleiderer and Meadorn, both members of MBB board of directors. Indonesia at the meeting was represented by Ir. Harsono D. Pusponegoro and Ir. Paramayudha, respectively director of technology and commercial director of PT. Nurtanio. UZ01/E03/QR.

CSO: 4200/1248

INDONESIA

FRG MINISTER ON PROSPECTS OF ECONOMIC RELATIONS

Jakarta ANTARA NEWS BULLETIN in English 9 Aug 85 p A7

[Text]

Jakarta, August 10 (ANTARA).-- West German Minister of Economic Affairs Dr Martin Bangemann has said that although the climate of the bilateral economic relations between Indonesia and West Germany is not at its best at present but the prospects for continued relations remain bright.

He made this statement to ANTARA Friday evening at Jakarta's Soekarno-Hatta international airport prior to leaving Indonesia for home.

He pointed out that his visit to Indonesia had two main targets, viz. to discuss the bilateral economic relations between West Germany and Indonesia and the international economic relations between ASEAN and the European Economic Community.

According to Bangemann Indonesian-West German bilateral economic relations are proceeding favourably and can be further improved.

He said that there are two ways to improve the economic relations between the two countries, viz. increase of the inflow of Indonesian goods into West Germany and stepping up of West German capital investment in Indonesia.

Data obtained by ANTARA show that the value of Indonesian exports to West Germany in 1984 stood at DM 785.5 million, while Indonesian imports from that country at DM 2,182.1 million or a surplus for Bonn of DM 1,396.6 million.

In the first five months (January-May) of 1985 the value of Indonesian exports to West Germany stood at DM 486 million, while its imports from that country at DM 824.3 million or a surplus of DM338 million in favour of West Germany.

Indonesian export commodities to West Germany consist for the greater part of foodstuff, coffee and plywood, while Indonesian imports from West Germany for the greater part are capital goods.

The West German economic minister further said that Indonesia's political stability had attracted many West German investors and he expressed the hope that his visit to this country would encourage West German investments.

Minister Bangemann arrived here Tuesday for an originally planned 11-day visit.

Prior to his visit to Indonesia, the West German economic minister visited Singapore, Malaysia and Thailand to arrange preparations for the coming meeting of the economic ministers of the European Economic Community with their ASEAN counterparts, scheduled in Bangkok October 17-18

During his stay in Indonesia Minister Bangemann had talks with President Soeharto, Trade Minister a.i. J.B. Sumarlin, Foreign Minister Mochtar Kusumaatmadja, Industries Minister Ir. Hartarto and Minister of Mining and Energy Subroto.

He also visited the PT Nurtanio airplane factory in Bandung.

(T/C10/H02/E16/Q3)

CSO: 4200/1248

INDONESIA

JAPANESE MINISTER ON ASEAN-JAPAN TRADE

Jakarta ANTARA NEWS BULLETIN in English 14 Aug 85 pp A2, A3

[Text]

Jakarta, Aug. 13 (ANTARA):-- The Asean member countries must develop their commodities in the framework of stepping up the Asean-Japan trade cooperation which has been existed so far.

In his paper entitled "Issues in Japan-Asean Economic Relations" the Minister of Industry and Foreign Trade of Japan Keijiro Murata pointed to the development of trade between Japan and Asean in 1984.

He said that the two-way trade had developed to such an extent that in 1984 Asean accounted for some 12 per cent of Japan's total trade, while some 23 per cent of Asean's total trade was conducted with Japan.

Speaking before 300 participants of Asean young businessmen here Tuesday, Murata added that the picture of trade between Asean and Japan was not entirely rosy. This, he said, was caused by several factors including the worldwide business slump and the deteriorating market for primary products.

"This state of affairs is mainly rooted in the structural gaps in trade and industry between Japan and Asean", Murata said.

Japan's exports to Asean consist of industrial products, mainly the capital goods and producer's goods needed by Asean for its economic development, while Asean's exports to Japan centred on such primary commodities as mineral fuels, raw materials for industry, and agricultural and marine products.

To achieve a further development of Japan-Asean trade and to ensure Asean's economic stability and development, appropriate steps should be taken to deal with the primary commodity issue, he said, adding that for Asean it is necessary to free themselves of excessive dependence on primary commodities and upgrade and diversify their trade and industrial structures.

Murata said that Asean countries are now finding it vitally important to expand their exports of manufacturers for the purpose of earning more foreign exchanges and maintaining higher employment.

"We have mobilized every resource at our disposal to cooperate for such Asean's efforts", he noted.

This cooperation includes tariff reductions, improvement of the preferential tariff system, and variety of export promotion activities carried out through Jetro offices located in each Asean country, he said.



### Investment and Technology

The Japanese minister went on to say that some 20 per cent of Japan's total overseas direct investment are made in Asean countries, making Asean one of Japan's leading investment regions.

Similarly, Japan has become top investor country in Asean, he noted.

The benefits of direct investment are manifold, Murata said, including the increase in employment opportunities, an inflow of new technology, and an activation of regional economies.

Besides, Japan also is giving serious consideration to Asean's strong request, made at the last Japan-Asean Economic Ministers' Meeting and other occasions, for more Japanese investment in such sectors as export oriented industries and resource processing, he noted.-(T.A09/E03/Q10)

CSO: 4200/1248

INDONESIA

SUHARTO ADDRESSES ASEAN YOUNG BUSINESSMEN

Jakarta ANTARA NEWS BULLETIN in English 12 Aug 85 pp A7, A8

[Text]

Jakarta, August 12 (ANTARA).-- President Soeharto is of the opinion that ASEAN's economy in the coming five years will be for a great deal decided by the success in overcoming various challenges as well as by the progress achieved at present and in the coming years.

"At present and in the years to come our efforts to overcome the effects of the world economic recession will still claim much of our time and ideas. On the other hand we should also work for broadening and acceleration of the development progress", the Indonesia Head of State said Monday at the opening of the 1985 ASEAN Young Businessmen meeting at Istana Negara here.

He warned that if we are not capable of broadening and accelerating development, it will have a negative impact not only in the economic but also in other fields as well. <sup>it</sup>

The President further pointed out that the struggle in the economic field will remain the main focus of attention of the ASEAN countries in the years to come. "It is therefore most appropriate if from now on you start to think about the various possibilities which would be faced in our common economic development", the President told 350 prominent young businessmen from the six ASEAN countries, consisting of Brunei Indonesia, Malaysia, the Philippines, Singapore and Thailand.

He is of the view that the meeting which takes place until August 15 will be the best facility to forge cooperation in the framework of strengthening fraternity among the nations in South east Asia.

"The stronger ASEAN becomes the more open the way becomes towards the realization of ASEAN's aspirations, viz. the realization of economic and socio-cultural cooperation for the progress and welfare of our peoples", the Head of State said.

In his address President Soeharto also said that the international political situation was still alarming and the world economic situation still gloomy, but thanks to indefatigable efforts, ASEAN saw progress in various fields, mainly in the economic field.

Various agreement on trade preference arrangements had been signed by ASEAN and several ASEAN industrial projects are now in operation including joint industrial projects. ASEAN has also cooperation agreements with other countries and groups of countries. Cooperation does not cover only cooperation between governments but also between the private firms, which would open the opportunity for cooperation among businessmen in this region.

Singapore sends 25 participants to this meeting, which is the biggest foreign delegation. Included in this delegation are State Minister for Trade and Industry Dr. Wong Kwei Cheong, Chairman of the Trade Promotion Agency S. Chandra Das, Member of Parliament Dr. Augustine Tan, the chairman of the Singapore association of manufacturers, Tan Wah Thong, and the chairman of the organization of young businessmen, Eddy Goh.

e01

(T/A-05/E-16/MS).-

CSO: 4200/1248

INDONESIA

NO MORE RULES TO BE ISSUED FOR TRADE WITH PRC

Jakarta ANTARA NEWS BULLETIN in English 13 Aug 85 pp A1, A2

[Text]

Jakarta, Aug.12 (ANTARA).-- Minister of Trade Rachmat Saleh stated Monday that Indonesia will not issue any more special provisions to underlie its reopened direct trade links with China.

Following his meeting with the Chinese trade delegation led by chairman of the Chinese Council for the Promotion of International Trade (CCPIT), the minister said that Indonesia's trade arrangements with China will be the same as with other countries elsewhere in the world.

"For example, the existing requirements for Indonesian plywood exports are valid all over the world, including China", he added.

At the meeting, the trade minister hoped the Chinese delegation would take the opportunity of studying Indonesian export commodities while approaching the Indonesian organizations involved in these direct trade links.

"By knowing the economic conditions in both countries hopefully a healthy trade basis, a starting point in promoting trade relations between the two countries will be created", the minister said.

The minister further hoped that the Chinese visit will yield concrete results, such as the purchase of Indonesian commodities, considering Indonesia has always sustained deficits in its indirect trade with China.

The minister appealed the private companies which will embark upon business with the Chinese counterparts to cooperate so as to continue maintaining national interest.

T-A11/E08/EVA/QR.

CSO: 4200/1248

INDONESIA

BUSINESS NEWS VIEWS TRADE WITH PRC

Jakarta BUSINESS NEWS in English 14 Aug 85 p 3

[Text]

The restoration of direct trade with the PRC is apparently proceeding very fast with the arrival of a Chinese mission here last Friday. The delegation is on a visit to this country to continue negotiations that took place in China from July 29 through August 3. The negotiations in the PRC between Kadin Indonesia (Chamber of Commerce & Industry) and CCPIT (China Council for the Promotion of International Trade) reached letters of intent on what both sides in principle are going to purchase. An agreement on the purchase of 3,000 tons of rubber by the PRC was also later concluded, for delivery by Indonesia starting October. In the further talks in Indonesia the list is expected to be completed/extended, especially with regard to purchase contracts.

The Chinese delegation's visit to the Exhibition of Indonesian Products (PPI) 1985 will hopefully give it a general idea of what Indonesia can deliver. Similarly, its tours to inspect various plants will give it an impression of the various important aspects of Indonesian goods/commodities in a special way. Even if particular specifications are required by China, they can be discussed right away on the spot.

The significant aspect of the restoration of direct trade with the PRC is that the effort can be linked with the over production and over capacity current

ly involving different goods -- especially manufactures -- and also creating fairly intricate labour issues. The letters of intent signed in China already mention several commodities belonging to this category, and the list should also be added by other goods facing the same difficulty. Such commodities will have relatively strong competitiveness because they can be exported based on marginal pricing without creating losses despite the absence of subsidies. The price calculation basis for these products is thus the domestic market, and export prices can be determined based on additional production cost only. The important thing is that the industries/companies concerned will be able to carry on production without piling up stocks, and in this way they will not create problems of financing, accumulating interest, etc.

In the macro context this also means increased non-oil/gas exports, so that the setback in foreign exchange receipts originally caused by the oil and gas sector can be compensated for.

As a market, the PRC is important because its one billion population needs everything in great quantities. If we can fulfil even a small part of the needs, exports of the relevant goods will reach a big volume.

Another interesting aspect is that the Chinese taste is not at all sophisticated yet, so that the goods produced by not so modern machinery may still be accepted by the PRC market. However, when it comes to manufactures the chance for us seems to be limited because we frequently find it hard to compete with the PRC itself. This is evidenced by the fact that we are importing large quantities of low and medium quality products from China such as underwear, towels, tools and accessories etc. Several primary commodities such as rubber, palmoil etc. that indeed are not produced by the PRC due to its unfavourable soil and climatic conditions, may offer better prospects.

It is naturally also very important to note that whatever goods we export to China, they should be smoothly paid in convertible currencies. Our export expansion to the PRC should not reduce traditional exports to the other countries, except possibly the trade with Hong Kong & Singapore, which eventually is also directed towards China. Our exports to Taiwan should by no means be disturbed by any negative reaction from that country against the restoration of direct trade ties with the PRC. To this end, the necessity for us to export non-oil/gas commodities is too urgent.

CSO: 4200/1247

ECONOMIST ADVOCATES PHASING OUT PROTECTIONIST MEASURES

Jakarta ANTARA NEWS BULLETIN in English 14 Aug 85 p A1

[Text]

Jakarta, Aug.13 (ANTARA).-- Protection may lead to economic distortions. That's why, it would be better to phase out any protectionist measures so as to drive manufacturers to yield products which are more competitive either with regard to prices, quality or design, according to an Indonesian senior economist.

Dr Thee Kian Wie, an expert in charge of economic and public affairs at the Indonesian Institute of Science, was speaking to ANTARA in an interview reviewing the current and future developments of the Indonesian economy, 40 years after the country gained its independence from colonialism.

He said that as long as there are protectionist measures designed to make home-made consumer products more favourable on the domestic market than the overseas, manufacturers will not be stimulated to export their products.

On the other hand, the excessive subsidy given to export commodities will bring in some economic distortions that will create further problems such as those now facing Latin American countries.

"The protectionist measures over either import-substituted or import-orientated products are basically a covert subsidy", the economist said, elaborating on the fact that under the economic theory, protections actually aim to encourage only the fledgling industries. "But they must try to mature", he added.

According to Dr Thee, mature industries are those who have been able to flourish on the overseas market with marginal competitive power. This was made possible through high management efficiency. "Young industries therefore, must benefit from this protectionist era by streamlining management systems, so when protectionist measures are abolished, they have already recorded efficient production costs", he said.

With regard to this, he considered the domestic industries tough if they are able to compete on both domestic and overseas markets without receiving any excessive protection.



In the face of various choices of technology offered in development, he warned that Indonesia must be selective and appropriately apply the technology which must be in line with the nation's level of ability and knowledge. "The abrupt leap to highly sophisticated technology requires substantial funding which may bring about stagnations in the other areas", he said.

"We must be careful in using our limited development funds. They must be allocated to areas which have high social and economic advantages", he added, being of the opinion that it is difficult for Indonesia to achieve its industrial take-off stage if what he described "the sophisticated technological island" is still surrounded by the abundance of outdated technology in other fields.

"If Indonesia focuses too much on sophisticated technology, it will only make itself dependent on foreign counterparts because there are no Indonesian professionals available," he said.

CSO: 4200/1248

INDONESIA

AMMONIA EXPORTS TO PHILIPPINES

Jakarta BUSINESS NEWS (in English 14 Aug 85 p 7

[Text]

Ammonia is one of Indonesia's trade items that can find favourable marketing grounds in the Philippines, in view of the increasing demand for this product in that country, according to reliable sources here.

Philippine Phosphate Fertilizer Corporation starts its production this year, and this company produces ammonium sulfate, ammonium nitrate and ammonium phosphate. Besides, the Philippines also needs ammonia for explosives production.

Data obtained from official sources show that the Philippines' ammonia needs in the coming years will reach 164,376 tons in 1985, 170,664 tons in 1986 and 178,358 tons in 1987. The export potential of ammonia to that country is fairly big because it entirely depends on imports.

However, the Philippine government cannot as yet make available foreign exchange for ammonia imports, in spite of the importance of this basic material for fertilizer and explosives. The Philippines' foreign exchange reserves are now limited, and the credits derived from the Asian Development Bank and the World Bank are only allowed for fertilizer imports.

To overcome this problem, the Philippines applies the counterpurchase method, and exporters of ammonia are expected to buy its products such as ammonium sulfate, ammonium nitrate and other goods.

Until 1984, the Philippine demand for ammonia was still insignificant. In 1984 the only suppliers of ammonia to that country were Indonesia, Japan and Kuwait. Indonesia was the the biggest supplier with around 8,400 tons worth US\$ 1,554,868, 60.2% of the Philippines' total ammonia import value.

CSO: 4200/1247

INDONESIA

EP SAID TO CHANGE STAND ON PKI EXECUTIONS

Jakarta ANTARA NEWS BULLETIN in English 5 Aug 85 pp A8, A9

[Text]

Jakarta, August 5 (ANTARA).-- The Indonesian Parliamentary mission has succeeded in convincing the European Parliament that the data and information used by the European Parliament to draft resolution on the problem of Munir and others (Indonesian Communist Party prominent figures) were untrue and incomplete, Parliament Assembly Vice Speaker Kharis Suhud disclosed to newsmen at Bina Graha here Monday morning after his meeting with President Soeharto.

He was accompanied by mission members Rachmat Witular, Sirman Widiatmo and Sundoro Samsuri to give an account on the results of the dialogue of the European Parliament with the ASEAN Inter-Parliamentary Organization in Luxemburg July 8 - 11.

Kharis Suhud was leading the Indonesian Parliamentary mission at the Luxemburg meeting.

The Indonesian Parliamentary mission gave an explanation to the European Parliament that the case of Munir and others, who were sentenced to death because of rebellion and treason against the legal government in Indonesia was a matter of law implementation, and not of basic human rights, Kharis Suhud said.

The decisions against Munir cs. are court verdicts, these processes have been carried out in accordance with existing laws in Indonesia, among other things, the defendants have been given the rights of a defence counsel, of appeal, and petition for mercy, he added.

It is wrong to assume that Munir was solely a trade union leader who opposed the government of Indonesia, Kharis Suhud said, he was guilty of rebellion against the legal government.

For rebellion and treason in any other country, the penalty is the death penalty, he stressed.

Kharis Suhud also told the newsmen that Amnesty International played an important role in supplying data and information to the European Parliament, bringing about the resolution which discredited the Indonesian government through the basic human right issue.

After explanations from the Indonesian Parliamentary mission, the parties who originally attacked the Republic of Indonesia finally changed their position, which was evident when a new draft resolution was submitted to the plenary session of the European Parliament by the French communist faction, which was rejected by 115 votes against 90, Kharis Suhud said.

According to Kharis Suhud the new draft resolution from the French communists contained among other things an appeal to restore democratic rights in Indonesia and to refrain from carrying out the remaining death sentences.

(L/A05/YAS/B07/E16/Q3)

CSO: 4200/1247

INDONESIA

STUDY FINDS 300 MILLION TONS OF COAL RESERVES IN S. KALIMANTAN

Jakarta ANTARA NEWS BULLETIN in English 6 Aug 85 p A6.

[Text]

Banjarmasin, Aug. 6 (ANTARA).-- Senakin area, Kotabaru regency, in South Kalimantan has, according to a feasibility study, coal reserves of about 300 million tons, consisting of 118 million tons at a depth of 0 to 60 meters and 182 million tons at a depth of 60 to 150 meters, Peter Wessel of PT Arutmin, a coal mining contractor firm at Senakin told a visiting Parliament committee VI team, led by Imam Sudarwo, recently.

After receiving explanations on coal mining, the parliament committee VI team proceeded to the Sangsang where a road and a tongkang (barge) terminal were under construction to facilitate transportation of the mining products.

The team was impressed that 120 million tons of coal could be mined through open mining and expressed the hope that mining activities would not be postponed, taking in consideration the great advantage and the important role of coal for the development of the regency and the foreign exchange earning for the current national development.

CSO: 4200/1247

INDONESIA

JAPAN TO LOWER PLYWOOD TARIFF IN 1987

Jakarta ANTARA NEWS BULLETIN in English 7 Aug 85 p A4

[Text]

Jakarta, Aug. 6 (ANTARA).-- The tariff on Indonesia's plywood exported to Japan will be lowered from 19 to 17 percent beginning from April 1987. There is a chance that it will be reduced to a figure even lower than the tariff on United States plywood which stands at 15 percent.

Minister at the Japanese Embassy in Jakarta Shigenobu Nagai said this here Tuesday at a press conference on Japan's policy announced on July 30 to open its market to import products.

Nagai admitted many people saw the problem of tariff on Indonesian and the United plywood as a discrimination.

However, he said, the matter will be discussed by Indonesian Trade Minister Rachmat Saleh and Japanese Minister of International Trade and Industry (MITI) who will visit Indonesia on August 14 and 15.

He said Japan will give attention to the world's complaints, including Indonesia's. That is why Japan is thinking of any possibility to reduce the tariff, at least to the same figure as given to the United States.

According to him, Japan's plywood import from Indonesia in 1984 has increased by six times compared with that in the previous year. The increase continued until the first four months of 1985.

From January to April 1985 the import reaches 9,338 thousand sq.m. or 3.1 times those of the same period during 1984 (2,976).

Japan's plywood imports stood at 10,387 thousand sq.m., meeting 90 percent of Japan's total imports, he said.

T.A18/E15/G01/QR.

CSO: 4200/1247

INDONESIA

FIRST OF 3 FRIGATES FROM UK ARRIVES

Jakarta ANTARA NEWS BULLETIN in English 7 Aug 85 p A1

[Text]

Jakarta, Aug.6 (ANTARA):-- Navy Chief of Staff Admiral M. Romly welcomed the KRI Martha Khrhistina Tihahu warship, one out of three frigates ordered by Indonesia from the British Kingdom, at Tanjung Priok port, Tuesday.

Admiral Romly on the occasion inspected activities on board the frigate having various sophisticated weaponry system.

The ship moored at the seaport a day before.

The other two frigates ordered by the Indonesian Minister of Defence last March are Kri Wilhelmus Zakarias Yohannes and Kri Hasanuddin. They will be arriving here within the next two to four months.

The three were the British old ship which were built 20 years ago and were used at the Malvinas war. Before arriving here, they will be overhauled adjusted to the condition of Indonesian waters.

The 8L type frigate is equipped with two 4.5 inches multipurpose guns for se, air and land targets. The engine is moved by steam and gas turbines with a maximum speed of 27 knots per hour.

It is also equipped with early warning system, sonar and navigational radars and missileguided radar.

T.A16/E03/QR.

CSO: 4200/1247



INDONESIA

POSSIBILITY OF SETTING UP SORGHUM MILLS IN MALUKU EXPLORED

Jakarta ANTARA NEWS BULLETIN in English 7 Aug 85 p A7

[Text]

Ambon, Aug. 7 (ANTARA).-- Some foreign investors, particularly from Japan, the Netherlands and Australia are now exploring the possibility of setting up sorghum flour mills in Maluku.

Apparently lured by data at the Maluku provincial agriculture office that the sorghum forest at the province promises great potential with average production reaching hundreds of tons a year, the investors are now engaged in preliminary and feasibility studies in the area.

Sources at the office told ANTARA Tuesday that around 2,500 hectares of sorghum fields in Eti village, West Seram of Central Maluku would be set aside to supply raw materials for the first sorghum flour mill in the region.

How much investments needed in promoting the sector has not yet been estimated. However the local farmers will undoubtedly get a great deal of advantages from the existence of the sorghum flour mills.

Sorghum flour as a typical food of the Maluku people has so far been processed traditionally and manually at homes, even though the crop can be processed into various kinds of foods either for domestic or overseas consumption.

CSO: 4200/1247

INDONESIA

BZZ-2 DELINEATION WELL PRODUCES OIL, GAS

Jakarta ANTARA NEWS BULLETIN in English 9 Aug 85 p A7

[Text]

Jakarta, August 9 (ANTARA).-- Pertamina announced today that Atlantic Richfield Indonesia Inc. (ARII), a subsidiary of Atlantic Richfield Company (ARCO), has been successful in completing its BZZ-2 delineation well drilled a feature located some 5 miles west of the large "B" production field and 47 miles offshore East North East from Jakarta.

The well flowed at a cumulative rate of more than 5200 BOPD (Barrel Oil Per Day) and 11.8 MMCFD (Million Cubic Foot Per Day) of gas on drill stem tests of four intervals in the Miccene Batu Raja and Talang akar formations, between subsea depths of 5730 and 6880 feet.

The discovery well, BZZ-1 was drilled in December 1984, and tested oil, gas and condensate from the same formations, BZZ-2 has been suspended pending further appraisal drilling to determine the size of the discovered reserves.

Atlantic Richfield Indonesia Inc. is operator of the Offshore Northwest Java Production Sharing Contract Area in which the new discovery has been made. The remaining interest is held by IIAPCO/Diamond Shamrock, Reading and Bates International Coy, C. Itoh Energy Development Co.Ltd., Tidewater N.W. Java, a subsidiary of Tidewater Inc. Warrior Oil Company, Java Oil GmbH and Pertamina.

(Tz-E01/Q3)

CSO: 4200/1248

INDONESIA

CAPACITY OF SURALAYA POWER PLANT DETAILED

Jakarta BUSINESS NEWS in English 14 Aug 85 pp 4, 5

[Text]

The newly inaugurated Suralaya steam power generator (PLTU) in Banten, West Java, last weekend is capable of illuminating all parts of Java island, which means that this plant is leading towards an all-Java integrated power system.

In this way, the management of electricity will become effective, efficient and economical. This is unlike the situation before 1981, when the power system in Java was still separate, with West, Central and East Java being isolated from each other. Interconnection between West and Central Java started in 1981 through 150 KV cables, followed by Central - East Java power links in mid 1981, according to reliable sources here.

500 KV TRANSMISSION : The Suralaya extra high voltage transmission system goes beyond standards of Europe and the International Electrical Commission. Europe uses 400 KV cables and so is the commission standard. But Suralaya is equal to Japan, and below the US where transmission involves 750 KV cables, the project manager of this steam power plant disclosed.

From Suralaya, electricity will be transmitted through the 500 KV cables to Gandul station in Sawangan, Bogor, from which it will spread to Bandung via Saguling, to Jakarta, Cirebon via Bandung, to Ungaran for Central Java, and further to East Java via Krian/Waru, Surabaya. Later on, Suralaya will also illuminate Bali.

ABSOLUTE : President Soeharto said when  
NECESSITY inaugurating PLTU-Suralaya  
that with the completion of  
this steam power plant, the country's  
electric power capacity had greatly in-  
creased. Power supply constitutes an abso-  
lute necessity for an advanced community,  
so that sufficient supply of electricity  
is a precondition to the creation of an  
advanced, prosperous and just society.

He indicated that the use of coal on  
a large scale for the steam power genera-  
tor meant another step forward in the uti-  
lization of natural resources for the wel-  
fare and advancement of the nation. So  
far, coal has been scarcely used so that  
its mining has also been limited to small  
scale operation, while in fact coal is one  
of Indonesia's important sources of ener-  
gy now available in great quantities.

Minister of Mines and Energy Subroto  
meanwhile said that the sector of electri-  
city constituted a major spearhead in im-  
plementing the policy of energy diversifi-  
cation so as to reduce the share of fuel  
oil in the entire commercial energy sup-  
ply from 77.9% at the end of the third  
five-year plan to 62.4% at the close of  
the fourth.

When PLTU-Suralaya's units I and II  
are fully operational, 1.8 million tons  
of coal will be needed annually, to be  
derived from Bukit Asam and East Kaliman-  
tan coal mines. For the supply of coal  
from September 1985 to December 1986, an  
estimated 2.7 million tons will be requir-  
ed, including 300,000 tons as fixed stocks.  
The 2.7 million tons of coal are equiva-  
lent to 1.75 million kilolitres of oil.

If starting 1987 the entire coal de-  
mand for Suralaya's units I and II totals  
2.2 million tons, which will hopefully be  
supplied by Bukit Asam, then 1.4 million  
kilolitres or 8.8 million barrels of oil  
will be saved, worth US\$ 246 million. And  
when all seven units of this plant are  
completed and operational in 1995, so that  
the installed capacity becomes 3,100 MW,  
the fuel oil saved will amount to 34.1

million barrels, equivalent to US\$ 955 million. The foreign exchange to be obtained may be greater than this value because the oil price is expected to go up in the 1990s.

For the moment, Suralaya has to consume Australian coal. Based on an import contract, Australia will supply 440,000 tons, of which 380,000 tons have been shipped in ten batches, to be followed by about two more shipments. Some 250,000 tons of Bukit Asam coal are meantime registered so far at Suralaya, but the domestic coal still faces the problem of transportation.

The Suralaya extra high voltage power plant's newly completed first unit produces 2 x 400 MW, while the second stage is scheduled for completion in 1989 at the same capacity, to be followed by the third in 1995 at 3 x 500 MW, all totalling 3,100 MW.

The first stage construction is estimated to cost US\$ 345,186,430 from the World Bank and US\$ 56,401,000 from other credits, plus rupiah financing worth Rp. 127,356,584,100 from the state budget, and Rp 15,410,249,800 from the budget of PLN (state electricity corporation). The realisation, however, reached US\$ 249,348,170 from the World Bank and US\$ 43,998,150 from other credits, plus Rp 115,772,345,000 from the state budget and Rp 9,177,870,000 from PLN. The second stage will estimatedly consume around US\$ 480 million.

CSO: 4200/1247

INDONESIA

HISASHI UNO APPOINTED UN INFORMATION CENTER DIRECTOR

Jakarta ANTARA NEWS BULLETIN in English 12 Aug 85 p A9

[Text]

Jakarta, Aug. 12 (ANTARA).-- Secretary-General Javier Perez de Cuellar has appointed Hisashi Uno as Director of the United Nations Information Centre (UNIC) in Jakarta which will be re-opened in mid-August 1985.

Hisashi Uno, a Japanese national, has served most recently as Director of the United Nations Information Centre in Dhaka, Bangladesh, where he has been assigned since August 1981. He was born in Tokyo on 26 August 1935 and has a B.A. in English Literature from Tohoku University (1958). He joined the United Nations Secretariat in July 1972 as Information Officer at the Tokyo Centre. In June 1979 he was appointed to the post of Centre Director in Manila where he served until his reassignment to Dhaka.

Uno began his career as a news reporter for the Mainichi Shimbun in 1959. He remained with that paper for ten years during which time he also worked for the Mainichi Daily News. In August 1969 he joined the Tokyo bureau of the Associated Press where he worked as news reporter and editor until June 1972.

Uno is the author of several publications, including East meets West: A world of proverbs. In 1967 he assisted Kenkyusha, a Japanese publishing firm in editing and issuing a revised edition of current English dictionary. Uno who has arrived here to take up his assignment, is married and has two children.  
(TZ/RE1/MS).--

CSO: 4200/1248

KIRIBATI

DELAY URGED ON RUSSIAN FISHING DEAL

Sydney THE SOUTH SEA DIGEST in English 9 Aug 85 p 1

[Text]

The Protestant and Roman Catholic Churches in Kiribati have petitioned President Tabai to delay signing an agreement with Russia for the licensing of Russian fishing boats to fish in Kiribati waters until the people of Kiribati have had time to consider it. The petition said church leaders had noticed wariness and fear among the people over the proposed agreement (SSD/v5/8). No one is prepared to say there is a connection between Kiribati's negotiations with Russia over fishing licences and the offers of financial help for Kiribati from the developed nations, including New Zealand, which has told the Kiribati Government that it will double bilateral aid to Kiribati this year. Under a new agreement, New Zealand will give Kiribati long-term technical assistance. Aid is also coming from the United States which will provide development aid worth \$US453 000 through non-government agencies such as the Save the Children Federation. The People's Republic of China has also entered the arena and will provide grant aid worth about \$US350 000 and make available interest-free loans if required.

Following a request from MPs, the Kiribati House of Assembly will discuss the proposed fisheries agreement with Russia on August 28. Representatives of most of the islands in the northern group have told the government that the islanders oppose any agreement allowing the Russians to fish in Kiribati's fisheries zone.

It was reported later that Kiribati President Tabai said his government had sent a draft agreement to the Russians and was waiting for a reply. Kiribati expected to finalise the agreement which provides for licences for 16 Russian fishing boats at an annual fee of about \$US.175 million. The president said the United States and Australia had sought assurances that the Russians would not be allowed a base in Kiribati. There were no plans for a base but President Tabai said he would not rule out the possibility of Russia being given shore facilities for its boats.

A senior fisheries officer in Kiribati has reported seeing at least 17 foreign fishing vessels operating in waters round the Phoenix Islands. The officer, who sighted the ships from a Royal New Zealand Air Force plane which the NZ Government has provided to help Kiribati to police its 200-mile zone, said he took the numbers of the vessels to check if they were fishing illegally.

CSO: 4200/1412



NEW CALEDONIA

MINING RESUMES AT THIO

Suva FIJI SUN in English 7 Aug 85 p 5

[Text]

NOUMEA (Reuter). — Work will restart today at New Caledonia's main nickel mine at Thio after a week-long closure due to roadblocks erected by pro-independence militants, the management said yesterday.

It said security was now back to normal after Melanesian militants of the Pro-Independence Kanak Socialist National Liberation Front lifted the barricades blocking the entrance to the mine, belonging to the Societe Le Nickel.

The Front, who erected the roadblocks to protest against a police operation in the area, lifted them after negotiations with French Government envoy Fernand Wibaux last Saturday, it said.

The return to law and order allowed the white settlers opposed to independence to meet the Thio Front militants in public for the first time since violence broke out in the territory last November.

The management of the Societe Le Nickel said that a Japanese ship was due to load nickel ore next Thursday and it was vital that the contract be met if the company were to remain credible.

Nickel is New Caledonia's main source of income.

CSO: 4200/1410

NEW ZEALAND

OPPOSITION ECONOMIC POLICY ANALYZED

Auckland THE NEW ZEALAND HERALD in English 9 Jul 85 p 6

[Editorial: "Policies in Embryo"]

[Text] In the struggle to codify an economic policy which distinguishes it both from the Government and from its own recent performance in office, the National Opposition is beginning to get its act together.

Mr McLay's six stated "objectives," as adumbrated late last week, are so far no more than that--objectives. But they are a start, a platform from which more precise planks can be constructed after further debate within the party and, indeed, within the community. For that, they are welcome.

The Leader of the Opposition is quite entitled to remind those who instinctively criticise his programme's vagueness that it is no vaguer, in essentials, than that on which Labour campaigned just a year ago. Moreover, in at least two particular respects, it has the virtue of offering electors a clear ideological choice against present Government practice.

The first of those is the now-familiar vow to restore voluntary unionism. The second is the undertaking to (forgive the word) "privatise" public trading activities which commercial enterprise could perform as well or better without conscripting taxpayers' funds. Both commitments have been enveloped in broader terms but the pledges, as explained by Mr McLay, are clear enough.

Perhaps none of the objectives is more important than a "substantial" cut in state spending. If that means a real reduction, after discounting for inflation, it is an aim which has eluded successive administrations. Yet it is also the route to genuine tax relief, as distinct from the redistributive reform, and bureaucratic expansion, represented by levies on goods and services and measures of that ilk.

Encouraging the development of industries in which we enjoy comparative international advantage may sound suspiciously to some like a reversion to having busybodies in Wellington pick winners rather than letting market forces do so.

In any event, promoting greater competition, efficiency and production in home markets is a natural corollary. Like increasing the efficiency and flexibility of capital markets, the latter objective is unexceptionable and one which Labour could, and doubtless will, endorse.

Several of Mr McLay's swipes at present economic stewardship will enjoy much popular support. Even so, just how National would haul down interest rates, how it would then cope with the exchange-rate nexus and even what its exchange-rate policy is, remain uncertain.

There is, apparently, a seventh objective: "to create a climate of stability and confidence and to make it clear that the Government is in control of economic affairs." That, too, sounds like a tilt at Labour. As an ambition, it has to be weighed against the rueful experience of an inherently dependent economy, over which no government has ever exercised more than qualified control.

CSO: 4200/1450

NEW ZEALAND

BRIEFS

MINISTER REJECTS NUCLEAR OPTION--(NZPA) Paris--The International Energy Agency, which in April recommended New Zealand consider the option of nuclear energy, was told in no uncertain terms yesterday that the idea was a non-starter. The Minister of Energy, Mr Tizard, told the agency's annual ministerial meeting in Paris that New Zealand did not have a nuclear power programme "nor any plans in this direction." He said this was for a number of reasons, including the availability of alternative energy resources. But it was also because of a deep-rooted public attitude "which it is not appropriate to spell out here but of which you will all be aware." Mr Tizard said New Zealand had always supported agency policies, largely because its small size and distance from world markets had made it particularly vulnerable to any sort of disruption to essential energy supplies. He said New Zealand's gas-to-gasoline plant, due to come on stream within a few months, would make a "small but very significant contribution" to supply stability in the region. [Text] [Auckland THE NEW ZEALAND HERALD in English Jul 85 p 5]

CSO: 4200/1450

PAPUA NEW GUINEA

AID CUT ACCEPTED

Sydney THE SOUTH SEA DIGEST in English 9 Aug 85 p 2

[Text]

After two days of talks in Port Moresby, Australia and Papua New Guinea have reached agreement on Australia's new five-year aid programme, worth \$A1000 million to Papua New Guinea. Under the programme, Australian aid will be reduced from its present level of more than \$300 million a year. PNG Prime Minister Mr Michael Somare had earlier accepted the fact that aid would have to be reduced and Australia proposed a reduction of about \$15 million a year, but agreed after the talks to smaller reductions. Direct budgetary aid will be reduced according to Australia's wishes, but aid for special projects will be increased. Australian Minister for Foreign Affairs Mr Bill Hayden and PNG Minister for Foreign Affairs Mr John Giheno agreed the new programme was fair and reasonable and provided a solid basis for the continued development of PNG. However, Mr Giheno warned that the PNG Government would have to make some hard economic decisions in coming years.

CSO: 4200/1409

PHILIPPINES

BASILON BISHOP WRITES MARCOS ON MILITARY ABUSES

Quezon City ANG PAHAYAGANG MALAYA in English 9 Jul 85 p 5

[Letter to President Ferdinand E. Marcos by Monsignor Jose Maria Querexeta, Bishop of Basilan: "Bishop Tells FM of Clergy's Helplessness vs Abuses"; "We Lost Another Battle, Sir"]

[Text]

**Dear Mister President:**

I would like to bring to your attention one of the burning problems that reflects the sad situation prevailing in our country:

How to get justice when abuses are committed by some military personnel.

I thought for a while that a personal audience with you might be possible, as it was in the early 70s, when thousands of Muslim and Christian farmers got the ownership of their land in the Calvario-Kapatagan area of Basilan Province against some powerful vested interests, after our friendly meeting with Your Excellency in Malacanang; but I have been discouraged to do so because of your failing health.

Sending you a letter through some private channels might be as discouraging.

So allow me Mister President to write to you through the papers, hoping that my message will reach Your Excellency sooner or later.

Two years ago two poor widows of the municipality of Lamitan, Basilan Province, Mrs. Norie Ferrer and Mrs. Gregoria Argonista, came to me in tears, seeking assistance in their quest of justice, claiming that their husbands Mr. Expedito Ferrer, a farmer and Mr. Anatalio Argonista, CHDF of Lamitan, had been supposedly killed by Cpl. Sofronio Rullan of the 5th IB and Capt. Rogelio Asuncion of the 43th, respectively.

I was confronted with a very serious problem: what to do next. My friends in Social Action warned me on the futility of taking any legal action on the matter, which, according to them, would be a total waste of time and effort, citing their personal sad experiences as well as the thousands of salvagings of newspapermen, radiomen, farmers, lay workers etc. who had been mercilessly murdered without getting any semblance of justice.

I contradicted them by presenting my personal positive experience with all the present and past top military commanders of Basilan who in most occasions, acted favorably whenever cases of military abuses were brought to their attention.

So in spite of their criticisms and cynical comments, I opted for justice through legal military channels.

After getting all the available evidence, the documents pertaining to the two cases, were sent to the Fiscal's Office of Isabel, Basilan in 1983, who forwarded them to the Chief Advocate General (JAGO) of Southcom, Zamboanga City. Then after more than six months a stony silence took place.

Prodded by the Office of Atty. Jose W. Diokno, no less than the Deputy Minister Jose M. Crisol of the Ministry of Defense by letter of May 23, 1984, instructed the Chief

staff of the Armed Forces in Camp Aguinaldo "to give preferential attention to the two cases and submit soonest a report of action taken".

In view of the fact that no action had been taken for several months, accompanied by our lawyer Atty. Eduardo F. Cartagena, I delivered personally on Aug. 8 of 1984 to the Chief Advocate General, Southcom, Zamboanga City, a letter addressed to him by two widows. He promised us officially that a pre-trial investigation would be conducted soon in Basilan by Major Edwin Vargas.

Instead, two emissaries appeared in Lamitan offering to the two widows blood-money to settle the case. Mrs. Norie Ferrer accepted P8,000.00 and dropped her case against Cpl. Rullan. Mrs. Argonista was offered P20,000.00 but due to my assurance that she would get justice from the military, decided to go on with her complaint against Capt. Asuncion.

After a few months, you appointed Lt. Gen. Fidel Ramos as Acting Chief of Staff of the Armed Forces of the Philippines and our expectations grew high because, according to all reports, he means business and reforms in the Armed Forces. Consequently, I addressed a personal letter to him on Nov. 26, 1984, which he didn't answer, perhaps, because of his many other obligations. This prompted me to act again and before the end of January, 1985, I went to his office in Manila. Everybody was very cordial to me in the office, including some generals. I could not get a better answer. A personal letter of Commodore Serapio C. Martillano, the Deputy Chief of Staff, dated on Jan. 24 and addressed to me stating and I quote "in this regard please be informed that the

acting Chief of Staff AFP, has directed the Commander of Regional Unified Command 9 to expedite the pre-trial investigation of the incident and submit report as soon as possible". A xerox copy of telegram sent to RUC 9 was attached to it.

Another personal letter was sent to me by Brig. Gen. Catalino B. Villanueva Jr. Deputy Chief of Staff for personnel on Jan. 30, 1985 written in more or less the same tenor.

I was the happiest man then, because what else could I expect; nobody will dare in Zamboanga, I thought, to disregard such strict orders from the highest military authorities. But to my amazement and shock, total silence followed for the next three months.

Meanwhile, Mrs. Argonista was restless and deeply frustrated. She was losing faith not only in the government, but in the Church, too. I was desperate, because I didn't know what else I could do in the case.

So, begging her for a little more time, I sent several telegrams to the office of the Chief of Staff in Camp Aguinaldo, Quezon City and another personal letter to Col. Manalang, Chief, Judge Advocate General's Office in Zamboanga, hoping for a positive answer.

The only answer I received came from Col. Manalang in a very frustrating letter, washing his hands in the case and passing the responsibility on to Maj. Vargas.

In view of all these past events I had to take a decision, I could not in conscience keep the poor widow waiting with empty promises forever. Hence, today June 11, I went to her house with Atty. Cartagena and in the presence of her family I gave to Mrs. Argonista the sad news: "Sorry, Mrs. Argonista, let us drop the case of your late husband, because justice is not possible". I saw bitter tears in her eyes

and in the eyes of all the other members of her family and in the far distance I could hear my friends laughing at me because I believed that justice was still possible ..... and I felt deeply hurt. I did not expect this treatment from the military, after all the cooperation I had wholeheartedly given many times in the past in the pacification of many places in Basilan, even at the risk of my life.

However, let us not dwell on my personal feelings but rather on these three painful questions that I am presenting to you, Mister President, for your serious reflection and guidance.

1. Your Excellency speaks often of the need of Church and military cooperation.

Our cooperation for the good of our people is always ready. What cooperation do we get in return in our work for justice and human rights, especially as far as the solution of thousands of unsolved murder cases is concerned?

2. How can we explain to our people the fact that when directives are given by the highest authorities of the Armed Forces and they are seemingly ignored by the subordinates, nothing happens and nobody gets penalized?

3. The ongoing struggle against the NPA, is not fought in our mountains and cities but in the hearts of fifty million Filipinos and cannot be won by adding more guns, tanks and airplanes to our war machinery but rather by gaining the sympathy and the confidence of our people. Everytime a newspaperman, a lay leader or a common tao is abused or killed without any hope of getting justice, another battle is lost by our Armed Forces and more ground gained by the NPA. Today a new battle has been lost by our government in Lamitan in the hearts of the Argonista family.

How many more battles can we afford to lose, Mister President, before the situation becomes irreversible?

Sincerely yours,

[signed]

MSGR. JOSE MA. QUEREXETA  
Bishop of Basilan

PHILIPPINES

CEBU EDITORIAL WARNS U.S. ON 'STUBBORN' SUPPORT OF MARCOS

Cebu City VISAYAN HERALD in English 8 Jul 85 p 3

[Editorial: "America's Deception"]

[Text]

The thrust of arguments of cause-oriented groups opposing Mr. Marcos' rule is US imperialism. They say that the cause of all our miseries is the conspiracy of the US-Marcos dictatorship. It is easy to see why the militant groups are now concentrating their fire on the US influence on Mr. Marcos.

The cause-oriented groups are almost seeing through the thin layer of deception covered by America's image as champion of the democratic ideal. They are now tearing this deception apart, and rightly so.

While America keeps harping on democracy, renewed during Fil-Am Friendship Day, as being shared by the two nations, the same US leaders keep their support of Marcos instead of the people who are oppressed by the regime. There lies the deception.

America had better watch out. Its stubborn and hardheaded assistance to an oppressive regime will sooner than expected be blasted off by national anger. America, as Charito Planas, a rebel in the US, has said: "Americans are fooling themselves when they say Marcos must be supported to preserve democracy."

CSO: 4200/1414



PHILIPPINES

LETTER TO MANILA DAILY ENDORSES UNITY WITH ARMED STRUGGLE

Quezon City ANG PAHAYAGANG MALAYA in English 10 Jul 85 p 5

[Letter to the Editor: "Let's Not Belittle Efforts of Our Rebel Brothers"]

[Text]

I would like to comment on the letter of Mr. Arsenio H. Bonifacio in the June 30 issue of Malaya ("To end the dictatorship/ A call to all patriots"), and on some other letters of the same tenor which you similarly published earlier.

Right off, I would like to say that basically I agree with Mr. Bonifacio's statements on the general conditions in our country brought about by the dictatorship. But I do disagree with some of his main proposals on how we, the people, can put an end to the inept dictatorship.

I refer in particular to his proposals that 1) we "comfort ourselves in a law-abiding manner so as not to invite the issuance of a PDA against us or to invite the attention of bloodthirsty military men, intelligence agents, PC men and policemen who are engaged in clandestine salvaging missions"; 2) our people "should not lose their cool and resort to armed conflict"; and 3) we should "help our long-suffering people... less they join the NPAs in the field."

One cannot say whether Mr. Bonifacio is coming or going. On the one hand, he wants us to be brave enough to topple the dictatorship. On the other hand, from his proposals, it would appear he wants us to stay home, bolt the door, twiddle our thumbs and go out only to vote for opposition candidates on election day. I can draw no other conclusion since he fearfully advises us to conduct ourselves in a "law-abiding manner," meaning to say according to existing oppressive laws, and not do anything that might provoke the dictatorship.

It bears underscoring that we are confronted today by one of the most bloodthirsty and powerful tyrannies that have ever blighted our land. To topple it, as indeed we must do, we must act in an organized, systematic, resolute and decisive manner. And we must be prepared to take risks and to make the heaviest sacrifices.

We honor our valorous forebears not because they comforted themselves in a "law-abiding manner" during the

Spanish colonial regime, during the Philippine-American war, and during the Japanese aggression and occupation in World War II. We honor them because they dared defy the tyrants' laws, took their destiny in their hands, and fought with every means at their command, braving every sacrifice that had to be borne.

Mr. Bonifacio's own namesake, the great plebian Andres Bonifacio, and his vallant comrades would never have organized the Katipunan revolutionary movement had they comported themselves in a "law-abiding manner," that is, had they obeyed the oppressive laws of the Spanish colonizers. They would have consigned themselves to political paralysis had they allowed themselves to be daunted by the Spanish colonizers' equivalent of today's abominable PDA.

And closer to our time, there would be no Malaya today if you, Mr. Burgos, and your brave colleagues had not been prepared to risk a PDA and to make sacrifices to assert your democratic rights, contrary to the tyrants' interests and wishes. Go over the record since 1972 and you will see that the dictatorship has not willingly extended any democratic reforms to the people; in all cases, such concessions were the product of the people's own bold, selfless and courageous struggles.

I agree with Mr. Bonifacio that we should vote for sincere opposition candidates and not for the dictatorship's candidates. But the electoral arena is a very narrow one, circumscribed as it is by the dictatorship's self-serving laws and by the dictatorship's terrorism and wholesale cheating. Let

us fight the dictatorship in this arena, why not, but let's not preclude struggle in all other possible fields.

The last point I want to make is that there must be unity and cooperation among all forces that are earnestly fighting the dictatorship. Nothing else will do: The dictatorship may be weaker today than at any time since 1972, but it remains a very powerful adversary. And for Pete's sake, let us not besmirch our brothers and sisters who have taken up arms to fight for freedom and democracy.

I end by quoting from Mr. Bonifacio: "Let us give all material and moral support to our fellow patriots at home who are at the forefront of the struggle. . ."

[signed]

ADELA C. PORCADILLO  
963 Tandang Sora,  
Quezon City

CSO: 4200/1415

PHILIPPINES

CENTRAL BANK OFFICERS URGE FARM SUBSIDY RESTORATIONS

Manila PHILIPPINES DAILY EXPRESS in English 8 Jul 85 pp 9, 10

[Article by Carol E. Espirito: "Government Asked To Restore Farm Input Subsidies"; "Floating Interest Rates Hurting Small Farmers"]

[Text]

CENTRAL Bank officials are battling for the restoration of farm input subsidies to compensate temporarily for the withdrawal of credit subsidies to the agriculture sector and to allow subsistence farmers to benefit from government assistance.

CB economists say only the better-off segments of the farming sector have benefitted from cheap loans.

Government officials also have expressed fear that the forthcoming \$100-million Agricultural Loan Fund (ALF) from the World Bank would have low demand because of the requirement of floating interest rates.

Purita F. Neri, director of the CB's department of economic research, and CB economist Gilberto M. Llanto suggest that the government maintain, for the meantime, its subsidies on inputs such as fertilizers, high-yielding seeds and other farm inputs to temporarily fill up the void created by the withdrawal of credit subsidies.

They said this is intended to prop up the poorer farmers, to increase their efficiency and

farming productivity rather than to satisfy welfare objectives.

IN MARCH 1984, the CB realigned its lending rate to banks and end-users to the Manila Reference Rate (MRR), formally ushering in the regime of floating interest rates.

The Technical Board of Agricultural Credit (TBAC) showed that from 1980 to 1984, the rural banks loaned out 82.5 percent of their P4.4-billion loan portfolio to farmers who had presented collateral for their loans.

This indicated that the big farmers were the ones who were able to take advantage of agricultural credit subsidy, which was mainly for non-supervised credit.

TBAC records also show that the average loan obtained by small farmers from 1980 to 1984 amounted only to P2,279 as against big farmer-borrowers loan sizes of P13,820 each.

Because of this, small farmers who comprised 73 percent of the total recipients of loans granted got only 31.6 percent of the total loans disbursed.

In urging for compensating subsidies, Neri and Lianto suggested safeguards to ensure their proper implementation. They said that the project must first of all be viable and should follow an order of priority, with emphasis on those which offer more social benefits.

\* \* \*

THEY also said that compensating subsidies should only play a supplementary and temporary role in increasing productivity levels because, they added, motivation, proper investment climate, social and physical infrastructure and the right policies count more in productivity growth.

The CB officials, however, defended the phase-out of the agricultural credit subsidy because this would help promote farming efficiency and right use of loan funds to their intended uses.

"Artificially cheap capital also leads to the wrong choice or combination of factors of production which an economy facing a large pool of employed or underemployed members of the labor force can ill afford, they said.  
(PNA)

CSO: 4200/1414

PHILIPPINES

MARKET INCENTIVES FAIL TO RESTORE CONFIDENCE IN ECONOMY

Manila PHILIPPINES DAILY EXPRESS in English 8 Jul 85 p 10

[Article by Ruby Tiong Tan]

[Text]

THE extremely pathetic market continued to plod along last week. The only stock that has been showing some strength is Phillex Mining because of slow accumulation over the last weeks by investors.

Globe Mackay had been popular among the commercial-industrials, but no noticeable activity was noted among the oils.

The acquisition by Benguet Consolidated last week of the controlling shares of Itogon-Suyoc through a series of special block sales at the Manila Exchange totalling 1,165 billion shares of Itogon-Suyoc worth P26.79 million helped beef up the total volume.

Incentives are starting to pile up to attract investors to the stock market. Interest rates on the government investment securities that had been giving the toughest competition to the stock market — the treasury bills and Jobo bills have gone down from 40% to 25%.

The reduction in interest rate is expected to further bring down inflation from the much reduced rate recorded last June at 27.6%, and normalize business activity.

The Central Bank has also come up with ways to immediately cut down rates by 7%.

In the last two weeks, these incentives offered a little help to snap the market out of its lethargy. Analysts believe that the underlying confidence in the economy is still not restored. Much still remains to be desired to build up the basic confidence to invest in the stock market, which the government can play a big role in if it will take positive steps to assist the securities industry.

Analysts believe that there will be a point where investors feel they can return to the stock market where they can still make 40% profit or more when stock trading activity normalizes.

CSO: 4200/1414

PHILIPPINES

GENERAL CLAIMS BOHOL NPA GROWTH 'CHECKED'

Cebu City SUN STAR DAILY in English 8 Jul 85 pp 1, 2

[Text]

Brig. Gen. Renato A. Ecarma, regional unified command (RUC) 7 Chief, yesterday brushed off fears that Bohol province is "already in flames because of reported New People's Army (NPA) rebel attacks in several towns."

Ecarma made the denial following his regular inspection trip to Bohol province Friday. He said he met with his field commanders in the area, including government officials, to assess the insurgency situation in the province.

Lt. Col. Jose Ayap, Bohol PC/INP provincial commander, reported to Ecarma that the growth of the Communist Party of the Philippines (CPP)-NPA in the province has been checked "due to constant and continuing patrols being waged by Constabulary troopers in the hinterlands as well as in the central towns."

Ecarma was accompanied by Bohol Gov. Rolando Butalid and engineers of the Ministry of Public Works and

Highways (MPWH) when he inspected national civic action (Civac) projects in Tagbilaran city and in certain towns where NPA infiltration has been reported.

Early this year, it was reported that certain towns in Bohol were already "influenced" and one town was even reported to be under the full control of NPA rebels.

Shortly after, Ecarma launched an all-out information drive in the area, including civic action projects which now form part of the routine in the towns.

In a strong followup to his Civac projects and information drive, troopers were dispatched to areas where armed groups were reportedly sighted.

In last Friday's inspection tour, Ecarma was accompanied by Lt. Col Manuel Cabiogon, chief of the RUC 7's civil military operations, Lt. Col Fritz Quinanola and Col. Rene Jane. **EMG**

PHILIPPINES

COMELEC OFFICIAL CALLS FOR FREEZE ON NEW PARTIES

Quezon City ANG PAHAYAGANG MALAYA in English 8 Jul 85 p 2

[Article by Ben Evardone]

[Text]

Commissioner Ramon H. Felipe, Jr. of the Commission on Elections (Comelec) called yesterday for a moratorium on the organizations of new political parties.

Felipe sounded this call as he noted the proliferation of political parties after the declaration of martial law.

Right now, he said, there are 48 registered political parties and groups, and 16 more have pending application for accreditation before the poll body.

Of the 48 registered political parties, 20 have national constituencies.

He said before martial law was declared in 1972, there were only 10 registered political parties, with the Nacionalista and the Liberal parties

as the major groups.

Under the Constitution, only political parties that garnered at least 10 per cent votes of the total voters in the last presidential election shall be accredited as the dominant political parties entitled to representation in the Citizens Election Committees.

The Batasan is still debating on what political party should be accredited as the dominant opposition group after the failure of the Nacionalista Party (NP-Roy wing) of the late Alejo Santos failed to get a 10 per cent votes in the 1980 presidential polls.

The ruling Kihusang Bagong Lipunan (KBL) is accredited as the dominant political party

CSO: 4200/1414

PHILIPPINES

ARTICLE SUMMARIZES CURTAILMENT OF UNION ACTIVITY

Quezon City ANG PAHAYAGANG MALAYA in English 8 Jul 85 p 2

[Article: "Ban or No Ban, Strikes Are Near Impossible"]

[Text]

MANILA (PNF) - Even if the newly-created Presidential Council for National Recovery has scrapped a proposed ban on strikes, a study of Philippine labor laws will show that strikes here are already virtually banned, anyway.

Provisions in present Philippine labor laws are so stringent that although no law has yet been passed which categorically bans strikes, workers' basic trade union rights are severely curtailed.

In 1982, Batas Pambansa (laws passed by the National Assembly) 130, the so-called "New Strike Law", was issued. BP 130 was then ballyhooed as the instrument for the restoration of labor's rights to unionize and to strike after the long years of martial law during which these rights were banned.

However, if the provisions of this law are examined, virtually no strikes could actually be called by workers.

Strikes are at banned in cases where "national interests" would be adversely affected, with government deciding whether a strike would have such effects or not. Where this proviso does not apply, a 2/3 vote of union members favoring a strike is required. The strikes themselves are limited only to cases of deadlock in the collective bargaining agreements and unfair labor practices. A "cooling-off period" of 15 to 30 days are also imposed after the filing of the notice of strike.

But, if the government decides that a strike is illegal, union officers and members can be terminated. The President and the Ministry of Labor and Employment (MOLE) are also empowered to issue return-to-work orders, and to certify disputes for compulsory arbitration if "national interests" are endangered.

The requirement of a 2/3 vote and the "cooling-off" period have been used by management to pre-

pare for planned strikes by laying off strike leaders. The terminations do not need clearance from MOLE. Products and materials are also transferred to sister companies so that production is not disrupted and the company does not lose any profit due to the strike.

The workers, on the other hand, lose their main bargaining power as the strike's basic objective of stopping production is not achieved.

BP 227, meanwhile, ensures that production and distribution of products do not stop during strikes. Free entrance and exit of raw materials and finished products are explicitly guaranteed, and MOLE can declare the strike illegal even before a hearing is held.

BP 227 reiterates the MOLE or the President's power to prohibit strikes if these "adversely affect national interests," a declaration many companies have managed to obtain, thus making the strike illegal. In the past, even a "patis" (fish sauce) factory was considered "vital" by MOLE to national interests, and policemen were sent to disperse striking workers.

The KMU (May First Movement), the militant umbrella organization of labor federations and associations, has noted that the reasons for the violence during strikes usually stem from the forced implementation of these laws. There have been several cases when the violence even resulted in the deaths of workers, as at Foamtex Industries in Valenzuela, ERA Industries in Bulacan, Blue Bar Coconut in Quezon, Franklin Baker in Davao, and many other places.

However, these have failed to stop the wave of strikes since 1981. Last year, the total number of strikes rose to 284, double that of the previous year. As of mid-June this year, 215 work stoppages have already been staged and over 9.39 million manhours have been lost. - Philippine News and Features



PHILIPPINES

STUDY REVEALS POVERTY VICTIMS' PESSIMISM

Manila BULLETIN TODAY in English 8 Jul 85 pp 1, 9

[Article by Marcia C. Rodriguez]

[Text]

The country's poor have a "very pessimistic" attitude toward government on what it can do to improve their living conditions five years from now.

This was gleaned from "Study of Poverty in Luzon," a survey of living conditions of 700 "poor" households in selected "poor areas" in Metro Manila, Ilocos Sur, Nueva Vizcaya, Batangas, Zambales, and Albay.

The study was authored by Cristina Parel and Ester de la Cruz of the University of the Philippines Statistical Center in Diliman, Quezon City. It was published in the research bulletin of the National Research Council of the Philippines (NRCP).

Majority of households surveyed said their living conditions have been "low" five

years ago, and believe these would not improve at all five years from now. The rest of the households said their conditions would improve "slightly," if at all.

Respondents expressed this grim prediction as they noted that opportunities for earning a living in their areas were "poor." Daily earnings were reportedly not enough to live decently and to satisfy basic needs.

The authors recommended that government efforts to set up local livelihood centers be made more responsive to locally perceived needs.

The households revealed that their expenses exceeded income, prompting them to resort to unlawful means or fall prey to unscrupulous money-lenders who take advantage of the urgency of their needs.

It was reported that the median yearly in-

come of the households surveyed is P3,770 a year, P314 monthly. However, they said they spend about P4,845 yearly or P404 monthly.

Food accounted for 57 percent of their expenditures. The second largest proportion of their income goes to transportation, and the least goes to medication and recreation, it was reported.

Households reportedly spend about P6.60 a day for food, out of a daily earning of P10.47. The rest is spent on other household needs such as cash, household equipment, clothing, house repair, and utilities.

Government programs to improve living conditions or to "minimize" poverty were identified by households. The three most important programs they perceived necessary to reduce social deprivation were price control, job creation,

and land allocation.

In addition, they cited the need for projects on health services, peace and order, housing, youth skills training, electrification, road and bridges, and credit facilities.

Despite their pessimism that living conditions will not improve, household heads aspire to get out of the "rut" they are in by having their children acquire a college education.

About two-thirds of respondents do not own any land. Most of them are carpenters, masons, or fishermen who desire to engage in farming, office work, janitorial work or any other job that would give them a higher income.

Parents of more than half of the household heads surveyed have not had schooling and came from big families with five or more children. Majority of household heads were between 25 to 44 years old.

PHILIPPINES

FORMER OFFICIAL URGES SULTAN'S HEIRS UNITE FOR SABAH CLAIM

Manila BULLETIN TODAY in English 8 Jul 85 p 5

[Article by Nelly Sindayen]

[Text]

Abraham Rasul, former commissioner of the defunct Commission on National Integration, has urged all the disunited members of the Kiram family, the Sulu sultan's heirs, to get together and deal as one group with the Malaysian government in resolving the Kiram proprietary claim on Sabah.

Rasul who is also the prime minister of the Ruma Bichara (Cabinet) of Sulu Sultan Mohammad Mahakuttah Kiram, warned that unless the Kiram heirs unite they can never resolve their proprietary claim which even the Malaysian government recognizes.

He said that of the seven Kiram heirs rec-

ognized by the Malaysian government through the McKaskie Judgment, only one — Dayang Dayang Sakinur-in Kiram — is still alive.

"If they don't stop bickering among themselves time will pass them by," Rasul said as he cited the existence of at least two Sulu Sultans — Jamalul and Mahakuttah who are both directly descendant of the Sabah claimants.

"Once the Kiram heirs unite, the Malaysian government will have no choice but to resolve their proprietary claim," he said.

He added that the only hitch here is the 1963 document executed by the Kiram heirs

empowering President Marcos to act as their attorney-in-fact in their proprietary claim.

In light of this, according to Rasul, perhaps a reassessment of the instrument making the President attorney-in-fact would be in order.

Six years after the Kiram heirs, then represented by Sultan Punjungan Kiram, ceded their sovereign rights over Sabah in favor of the Philippine government on Sept. 12, 1962, they executed a power-of-attorney empowering President Marcos to act in their behalf in claiming for their proprietary rights.

Reports have it that before the power-of-attorney was executed in favor of President Marcos, the Malaysian government offered US\$60 million as financial settlement.

CSO: 4200/1414

PHILIPPINES

COLUMNIST CONTRASTS AFP REFORM GOALS, ADDED FLAG RANKS

Manila BULLETIN TODAY in English 8 Jul 85 p 6

[Commentary by Jesus Bigornia: "New Generals Give AFP Top Heavy Image"]

[Text]

**T**HE military rank and file appeared working at cross purposes with their commander-in-chief over the weekend. Even before ring-leaders of the "Reform AFP Movement" could step out of the security of Camp Aguinaldo into klieg lights of the National Press Club (NPC) to publicly urge changes in the military establishment, President Marcos inducted into office during rites held in Malacañang 28 new one-star generals. He did not retire a single overstaying officer of general rank, a move the reformists had so avidly sought.

Members of the so-called "We Belong" movement had sought since they sprang out of anonymity during commencement exercises of the Philippine Military Academy last April significant structural changes in the armed services. The movement urged the removal of the "fat" in the major commands, for an end to graft and corruption, and for retraining of combat units in order to meet more effectively the challenge of rebel guerrillas. Instead of retiring the old fogies, the President

kept them on, giving the military organization a top heavy image.

If representatives of "We Belong" movement publicly denied any intention to overthrow the government, and renounced any plan to unseat President Marcos, they nevertheless made a significant statement during the symposium held at the Press Club. Speaking through Col. Rad Capunan, of the Philippine Air Force (PAF), the organization claiming 70 percent support from the officer corps of the Armed Forces of the Philippines (AFP), said: "Most military field officers involved in the counter-insurgency campaign have lost confidence in the chain of command to support the men in the field."

It should be obvious to those in authority that the officers and men slogging it out in the rice paddies of Northern Luzon and the jungles of Mindanao are not happy with "the brass," who do not send in supplies and material in adequate quantities and on time. In short, the fighting men demand the appointment of new commanders. Well, some of the newly promoted generals could be the answer to the combat soldier's prayer.

CSO: 4200/1414

PHILIPPINES

VIRATA DISCUSSES GOVERNMENT SUPPORT FOR AGRICULTURE

Manila BULLETIN TODAY in English 8 Jul 85 p 14

[Article by J.C. Concepcion]

[Text]

Prime Minister Cesar Virata declared last Friday that the government has overemphasized industrial development at the expense of agriculture.

He said that the most serious problem confronting the agricultural sector is not the lack of credit resources but how to improve delivery and maintenance of agricultural credit and input systems.

Virata gave these statements during the 31st annual convention of the Philippine Agricultural Economics and Development Association, Inc.

He said the government had wanted to achieve a balance between agriculture and industry and sets its priorities in accordance with the needs of the majority of the people for overall development, progress and sta-

bility.

The government, according to him, recognizes the fact that the majority have always been based in the rural areas and this has been reflected in the government's activities and sectoral priorities.

Reflective of the government's sectoral priorities is how much of its budgetary resources is allocated to each sector, he said.

Over a 10-year period from 1975 to 1984, the budgetary expenditures for agriculture, including agrarian reform and natural resources, totalled 20 percent of the expenditure for the industry, including trade and tourism, he pointed out.

In 1977, the ratio was more than seven to one, with P1.5 billion spent for agriculture and P210 million for industry, he said.

The government

had budgeted a ratio of more than four to one in favor of agriculture for 1985, he said.

Aside from direct expenditures on economic services to the agricultural sector, the government has also spent heavily on capital projects that benefit the agricultural sector, primarily irrigation projects and farm-to-market roads, he said.

Expenditures in irrigation projects amounted to P1.4 billion in 1984, a reduction from the 1983 level of P1.9 billion, Virata said.

Virata said the government now irrigates about 50 percent of the country's total irrigable area of three million hectares and 10 percent of this has been within the last seven years.

The government also has credit, re-

search, price support and other programs for the benefit of farmers.

He said the problem of credit and input delivery system will have to be remedied through very drastic and fast improvements on present delivery systems.

Credits for the agricultural sector, he stressed, is not wanting because there is a total of some \$1.3 billion commitments from multinational and bilateral official sources the bulk of which has not yet been fully utilized.

Of the total \$1.3 billion total credit commitments as of the middle of this year, at least \$554 million is specifically earmarked for agricultural uses and an additional \$143 million may also be used for agriculture, he said.

PHILIPPINES

FOUR HUMAN RIGHTS LAWYERS LABELED COMMUNIST

Quezon City ANG PAHAYAGANG MALAYA in English 8 Jul 85 pp 1, 6

[Article by Diseree Carlos]

[Text]

The Free Legal Assistance Group (FLAG) yesterday assailed the alleged inclusion of four Northern Mindanao-based human rights lawyers in an "Order of Battle" which they said the military could use to justify the arbitrary killing of listed "communist terrorists" (CTs).

In a statement furnished Malaya yesterday, FLAG disclosed that FLAG Regional Coordinator Bernadette P. Encinareal and lawyers Jose T. Gonzales, Luisito Villanueva and Rudy Pactolin were among those listed as "CTs" in an "Order of Battle" presented by the military before the Regional Trial Court of Agusan del Norte and Butuan City.

Prepared by military intelligence units, the "Order of Battle" offers rewards for the capture of persons listed in it.

FLAG denounced the issuance of such military orders as "not only illegal," but "barbaric."

"In effect, if not in intent, an "Order of Battle" is an inducement to kill the persons listed in it. In issuing it, the military are not only accusers but judges and executioners as well," FLAG said.

FLAG noted that only the courts have the authority to convict and punish those who have violated the law. But the courts are also restrained from making any judgements and sen-

tences before they have charged the accused formally, held a fair trial, and given the accused a chance to defend himself through a legal counsel.

"The military say they want to win the heart and mind of the people. If they mean that, they should do their job. Let them become the people's servants, not their masters; the defenders of people's rights, not the judges of people's conduct," FLAG said.

FLAG demanded that the military desist from issuing more "Orders of Battle," and publicly apologize to the lawyers whom they branded as "communist terrorists" for merely handling national security and human rights cases.

PHILIPPINES

BUSINESS COLUMNIST ON 'FLAWS' IN GOVERNMENT REPORT

Quezon City ANG PAHAYAGANG MALAYA in English 10 Jul 85 p 7

[Article by Jake Macasaet in the "Business Views" column: "Statistics and Reality"]

[Text]

Vicente Valdepenas, director-general of the National Economic and Development Authority, released a report the other day indicating that income distribution and savings have consistently increased since 1971. He supported the reports with figures.

For example, he explained that wider distribution and steady increase of rural incomes were basically brought about by higher yields of palay, the country's main staple. This, in turn, resulted from the successful financing program called the "Masagana 99".

There are basic flaws in the report. First, it was confined to Metro Manila and five selected provinces which the report conveniently forgot to identify. Second, the report which concentrated heavily on income distribution failed to make comparisons with the inflation rate that attended the economy during the period covered by the study.

The report makes it appear that there is complete dependence on rice. The report states that in 1972, gross average farm income was P810 per hectare. With the present support price of P3.50 per

kilo of palay, and the corresponding financial support that increased harvests to between 50 and 80 cavans per hectare, income went up to as high as P8,750 for the average farm and an incredible P17,325 for the more technology-intensive operations.

The report again conveniently failed to tackle the all-important question of increases in the costs of inputs like fertilizer and chemicals during the period. If the Masagana 99 rice program was that successful, why hasn't the Philippine National Bank which provided financial support, been able to collect the hundreds of millions of pesos in rice production loans?

Valdepenas also knows that the rice supply situation has become critical. In fact, we have imported a few hundred thousand tons since last year. We cannot figure out how these imports made in the face of what he calls success in Masagana 99 could contribute in the distribution and increases of farm incomes.

If Valdepenas had been more careful, he could have supported his claims with more important statistics. Increases in farm incomes translate into higher sales

of other consumer products like textiles, soft drinks, beer and other consumer items. The financial statements of the producers of these goods do not reflect good performance.

It would be more prudent for the NEDA to make a more thorough investigation of the economic situation in relation to the farms on a nationwide scale. Picking five provinces without even identifying them only confuses those less familiar with the actual situation. The statistics dished out by Valdepenas is like the figures on inflation he released earlier.

It is true that the present level of inflation at around 30 per cent represents a reduction of an incredible 50 per cent. But that is

the whole point. The base figure is all too high making a 50 per cent reduction look insignificant. It is precisely the high inflation rate that makes nearly meaningless the increases and distribution of incomes that Valdepenas loves to talk about.

If he had been more honest with his figures, he could have presented them in real terms. But if he did that, he probably would not have any increases to talk about. On the contrary, he might have discovered that in terms of what the farmers' money can buy today, their incomes actually declined. There are many ways of presenting statistics. And we think Valdepenas' presentation is deceptive.

CSO: 4200/1415

PHILIPPINES

DAILY REPORTS IMF SPONSORED BANKING REFORM ON TRACK

Quezon City ANG PAHAYAGANG MALAYA in English 10 Jul 85 p 7

[Text]

The third major overhaul of the Philippine banking system in a decade — sponsored by the International Monetary Fund — is on.

Announcement by President Marcos the other day that three giant government banks will be merged signalled the government's implementation of the IMF "banking reform" program for 1985.

Earlier IMF-sponsored "banking reform" programs — one in 1974-1975 and the other in 1980-1981 — all led to a wave of banking failures.

The latest IMF-sponsored overhaul of the banking system calls for bigger and bigger banks, preferably in partnership with foreign investors.

Critics of the program say this will lead to tighter control

by foreigners of local financial resources and, as a result, of industries.

The first "reform" called for the setting up of so-called investment houses, financial institutions that could invest directly into business enterprises. These investment houses were envisioned to complement commercial banks which were by law prohibited from direct investments.

These investment houses toppled like dominoes in the 1980-1981 money market crisis, but not before they had served their purpose.

Bancom Corp., State Investments, Atrium Capital Corp. of Herminio Disini and Philippine Underwriters and Finance Corp. of Ricardo Silverio had pooled billions of savings and used these to build

the now-bankrupt conglomerates of their owners.

Even before the 1980-1981 collapse of the money market, the IMF and its sister institution World Bank, in a joint study of the Philippine financial system, as early as 1979 prepared the ground for the next major "banking reform."

This was the highly-touted universal banking scheme under which commercial banks were allowed to invest directly into industrial and agricultural ventures.

The result was the crisis of 1984 and early 1985 which the Central Bank was able to contain only through massive infusion of money into big banks which had invested heavily into long-term ventures such as real estate and agri-business.



PHILIPPINES

ARTICLE VIEWS 'HAMLETTING' IN CORDILLERAS

Quezon City ANG PAHAYAGANG MALAYA in English 10 Jul 85 p 9

[Text]

**BAGUIO CITY (PNF)** — From all indications, the Philippine Armed Forces' encirclement and suppression campaign against the Communist-led New People's Army in Northern Luzon is unstoppable.

Two years after defense ministry officials decided to put more muscle into the government's counter-insurgency campaign in that region, the forcible evacuation and hamletting of entire Isneg villages has become the core of the military's plan to deny the NPA of its mass base.

Recent reports show that northern Kalanga-Apayao in the Cordillera mountains north of Manila is one of the provinces which have borne the brunt of the AFP's latest military offensives.

Since three weeks ago, the roads leading to and from Tabuk, the provincial capital, have

been blocked by movable barbed wire barricades manned by grim, fully-armed soldiers. At these checkpoints, government troopers inspect vehicles and passengers.

Over a month ago, a 9 p.m. — 6 a.m. curfew was imposed by the provincial Constabulary command because of a rumor that NPA guerrillas were out to raid the town hall. The rumor doesn't seem to have died down, as curfew is still strictly observed. Undercover agents are also reported to be crawling all over the small municipality.

The military drive in Tabuk, however, pales in comparison to that being conducted in other towns. Every one is suspected by the military as a "potential NPA guerrilla" or "NPA sympathizer." Several communities have been forcibly evacuated while the villagers have been placed under some form of hamletting or another.

The towns of Lubuagan, Pail, Balbalan, and portions of Tabuk are the site of current counter-insurgency operations by the Philippine Army's 41st Infantry Battalion. Barrio Uma in Lubuagan has been turned into a strategic hamlet. Villagers cannot go to the ricefields or swidden farms because any movement outside the village would invite military fire. As a result, crops have remained unharvested and are left to predators while farmers are forced to go to Tabuk for their rice supply.

But the farmers' headache doesn't end there. Sacks of rice being brought to the village are sequestered temporarily at the Army checkpoint in sitio (sub-village) Latawan where they are rationed out daily to the villagers. This is so that rice and other food supplies will not fall into the hands of the NPA, Army soldiers say.

As the operations spread farther north, the military's grip on the population has tightened.

In the town of Pinukpuk and in Conner, Kalanasan and Kabugao

in Apayao, a relentless counter-insurgency drive is likewise taking place, this time being waged by the 48th Infantry Battalion. The 48th IB used to deploy its troops only in Pinukpuk and Conner. But when the NPA guerrillas raided and burned the town hall of Kabugao last May 29, Army units had to be sent there as well as to Kalanasan.

Virtually every sitio in Conner has been forcibly evacuated. People are required to resettle along the roadside. Queues of men turn up daily to report at Army

detachments. Requiring men to report is one way by which the military monitors the villagers' activities as many if not all of them are suspected of being active members of clandestine village committees organized by the NPA.

Even more reproachable, sources say, is the military treatment of the people in lower Apayao. In the towns of Flora, Sta. Marcela, Luna and Pudtol, any person can be shot if he fails to show his residence certificate. This has been corroborated by the regional

trial court and by church people.

In Flora recently, a public vehicle was stopped at a checkpoint by a group of soldiers. The soldiers took the passengers' residence certificates for inspection. Another group of soldiers approached the vehicle and pulled out two passengers. The two could not show their certificates as these had been taken by the first group of military men for cross-checking. Thinking that the two had no certificates, the soldiers who arrived later shot them dead.

In the wake of the stepped-up military operations in Kalinga-Apayao, several people have been arrested on suspicion of giving support to the NPA or of being guerrillas themselves. In early June alone, 20 were arrested, including United Church of Christ of the Philippines pastor Feliciano Balangui. Some of those arrested and subsequently detained were allegedly maltreated by military men.

Even Atty. William F. Claver, chairman of the Cordillera People's Alliance, told Baguio mediamen in a June 25 interview that he has been receiving threats on his life allegedly from both the military and

local politicians in the province. Provincial Constabulary commander Col. Gregorio Retuta reportedly warned Claver, who is also a human rights counsel, "We cannot protect you. The Army resents you."

Human rights groups which have visited the Isneg communities to probe alleged military abuses have been rebuked by soldiers. Some military men have reportedly remarked, "Let us see what these human rights groups can do" and have allegedly harassed informants after fact-finding teams had left their communities.

Many Kalinga residents believe that military operations in the province have intensified in reprisal for a recent series of NPA ambushes that killed at least 22 government troopers and lost the AFP 100 assorted firearms.

Meanwhile, the current military campaign appears to be part of an all-out push of the Philippine Armed Forces to drive the NPA away from its known guerrilla zones in northern Luzon. The military offensive combines piercing commando attacks with two-flank sweeping operations. This wave of attack would eventually force the guerrillas in the eastern and

western provinces to withdraw or slide up the northern tip of Cagayan or Aparri province, facing the sea. When the NPA is trapped in the narrow corridor, defense officials optimistically predict, it would only be a matter of days before the entire apparatus of the Red Army shall have finally crumbled.

Much of the success of the military's drive in northern Luzon, however, will depend on "winning the hearts and minds" of the people. On this score, defense officials admit, the NPA is way ahead in maintaining close ties with the people, not to mention its strides in the propaganda war. "We have a strong and large mass base here," an NPA guerrilla front officer told newsmen one day last April, referring to Kalinga-Apayao and nearby provinces. "Thus, we cannot easily be beaten."

Considering the manner by which the military is waging its "win the hearts and minds" of the people component of its counter-insurgency campaign, it may have a long way to go before it can claim dominance over the troubled northern parts of the Philippines. — Philippine News and Features

PHILIPPINES

VIRATA WARNS ON HIGH POPULATION GROWTH

Manila BULLETIN TODAY in English 9 Jul 85 p 4

[Text]

Prime Minister Cesar E. A. Virata said yesterday that the next 35 years will be "critical" if the country's population continues to grow at a high rate, adding pressure on limited national resources.

Keynoting the consultative media conference on population, Virata cited the need to control population growth and modernize adequately in the fields of industry and agriculture.

"If during this period we fail to modernize adequately, we may never catch up with population growth... We may need to use all our resources just to feed ourselves and we may never rise out of poverty," he said.

Virata noted that if the country maintains its present productivity growth rate of two percent and economic growth rate

of four percent while population grows at 2.4 percent, the volume of food production today will be reduced by one third.

This means that each Filipino may have to give up one meal a day, he said.

Population and resources are among the country's most serious problems, he said. The Philippines, with an estimated 54.7 million people today has the 17th largest population among more than 180 nations of the world, he added.

The Philippine population is expected to double in 28 years while the land area of 320,000 square kilometers will not increase. The country's land area is said to be 3.2 percent the land area of the United States, 3.9 percent of Australia and 15.7 percent of Indonesia.

In 10 years, the country will have a population density equal to what the United Kingdom has today, but nowhere near the United Kingdom's economic resources, he said.

By the turn of the century, the country will have passed the present population densities of India, Sri Lanka, and West Germany, according to Virata.

Social Services Minister Sylvia Montes, who is also chairman of the Commission on Population (Popcom), cited the need for intensified efforts in population control to improve the quality of life and promote economic development.

Montes said that the country's population program does not only promote family planning methods but also sex education and population awareness.

PHILIPPINES

FUEL USE DECLINE REFLECTS INDUSTRIAL SLUMP

Manila BULLETIN TODAY in English 9 Jul 85 p 13

[Article: "23 Industries Still in Slump"]

[Article by Ailene A. Armendi]

[Text]

The operating performance of 23 major industries is still undergoing a slump as their demand for petroleum products declined by 18 percent during the first quarter to only 1.3 billion liters from the 1984 level of 1.6 billion liters.

A report released yesterday by the Bureau of Energy Utilization (BEU) showed that the cement industry's demand declined by 82 percent from 23.7 million liters in 1984 to only 4.3 million liters. The decrease in oil consumption by the cement industry, however, is largely due to substitution. All of the 17 cement plants have been converted into coal-fired plants from bunker oil.

The fertilizer industry had the second largest decline — 78 percent from 6.4 million liters to only 1.3 million liters. The slump in demand was attributed to lower consumption of fertilizer by the farmers owing to its very high cost. The paper processing industry's petroleum consumption went down by 54 percent from 32.9 million liters to only 15.1 million liters. Likewise, the decrease was attributed to the slowdown in the printing business.

The manufacturing industry, after enjoying a boom last year, is also in a slump this year with consumption of fuel down by 46 percent from 24.8 million liters to 13.5 million liters. The steel, met-

al and nickel processing industries showed the fifth largest decrease in oil consumption from 28 million liters to only 16.7 million liters.

Of the 23 major industries, only three showed increases in oil consumption; namely, mining, lube refining and chemical manufacturing. Mining industry's demand for oil shot up by 53 percent from 46.1 million liters to 70.3 million liters despite the depressed metal prices in the international market.

The increase in oil consumption in the mining industry was attributed to the expansion in mining operations in the expectation that metal prices will go up since prices seems to have bottomed out.

PHILIPPINES

LABOR GROUPS DENY WFTU AID

Manila BULLETIN TODAY in English 10 Jul 85 p 6

[Commentary by Jesus Bigornia: "3 Labor Groups Deny Receiving Foreign 'Aid'"]

[Text]

**L**OCAL union chieftains take this writer to task for writing in this space that some of them have been receiving financial aid from the Prague-based World Federation of Trade Unions (WFTU). By inference, the heads of three labor groups — Vicente BatO, NATU; Reynaldo Capa, KATIPUNAN; and Bonifacio V. Tupas, TUPAS — deny having received assistance from a foreign source described in this column as Moscow-supported. To "clear the names of the other WFTU affiliates in the Philippines not similarly situated," they challenge this writer in a common letter of protest to identify by name the local group that has been getting substantial subsidies.

Since the leaders of the local unions affiliated with the WFTU disavow having received more than moral assistance from WFTU, this column is left no

option but to believe them and accept the veracity of their claim. Should they feel still that they have been charged without basis by this column, this writer apologizes to each of them and as a group.

If only for the sake of setting the record straight, this writer could not show up at a press conference arranged for two visiting top WFTU officials recently because an invitation to the affair was received a day after the meeting with the press. Had the invitation reached this writer seasonably, he would have attended the meeting if only to dispel once and for all his apprehensions over WFTU influence over Philippine labor groups. If, as the labor chieftains perceive, as their common letter of protest indicates, that this column is "leaning to the extreme opposite direction of the political spectrum," TUPAS secretary general may rest assured that this writer's only concern is for trade unionism to be entirely free of foreign influence.

CSO: 4200/1415

PHILIPPINES

DAILY CRITICIZES CEBU GOVERNOR'S MANNER

Cebu SUN STAR DAILY in English 9 Jul 85 p 4

[Commentary by Wilfredo A. Veloso: "What Can 'Cry Baby' Do?"]

[Excerpt]

THE "cry baby" did it again. As he had done in the past when he felt he was being "bullied" by former Congressman Ramon Durano, Governor Gullas was reported to have again rushed to Big Daddy — President Marcos — when he was threatened with ouster from the KBL provincial directorate. The President had to call both Durano and Gullas to Malacanang for another peace talk.

What kind of a leader is he who runs to Big Daddy for help every time he feels threatened in his own camp? A real leader doesn't act this way. If Gullas can't fight his own battles right in his own camp, how can he be depended upon to lead the party's real fight against its real opponent, the opposition? This seems to be the point being stressed by the Durano camp and it's a very valid point, if you ask me.

Gullas has been governor of this province for quite a time already. Isn't it puzzling that after all this time he still has not built for himself a solid political base, which should have been no

problem for any leader worth his salt? Why has he so obviously failed to gain the loyalty of local political leaders? Is it because he has really not given them any importance, which is why they have gravitated away from him and toward the Durano camp?

If the President views the political situation with the pragmatism that he has been noted for, he will realize that what the ruling party needs in Cebu is a "strongman" who has the means to fight the political enemy. For Cebu, needless to say, is opposition country, except for that part of the province where the Duranos hold sway. Where is Gullas' bailiwick?

The President knows that the fate of the KBL in Cebu is at stake in the intramural between Durano and Gullas. What would happen if he picked Gullas over Durano? Would Gullas fit the role of a political "strongman" in Cebu? Does he have means to fight the opposition? Can he cite any part of the province which he can honestly call his political bailiwick?

Moreover, is he willing to spend for the party's political campaign?

On the other hand, the President knows what Durano could do. The result of the Batasan elections in the province last year must still be fresh in the President's mind. While the KBL candidates lost in what had been thought to be Gullas territory, they scored heavily in Durano's latifundia. This capability to deliver the goods, Durano has proven time and again. Another point which the President may have to consider in settling the Durano-Gullas rift is that Durano fights his political battles without seeking financial help from the President. In short, he can be depended upon.

Should Durano make good his plan to retire from politics and adopt a hands-off policy in the coming elections, can Gullas be depended upon to lead the ruling party to victory at the polls without full support from Malacanang? There is a strong doubt about this, even within the KBL camp. What, indeed, can a "cry baby" do? Clap his hands and coo and coo?

BARANGAY OFFICIAL REPORTS HELICOPTER VISITS TO NPA

Cebu City SUN STAR DAILY in English 10 Jul 85 pp 1, 2

[Article by Edward M. Gutang]

[Text]

An official of Asturias, Cebu yesterday said key men of the local National Democratic Front (NDF) have been conducting teach-ins and indoctrination sessions in the mountain barangays of Asturias.

Asturias Sangguniang Bayan member Roger de Guzman said the NDF, front of the Communist Party of the Philippines (CPP), has been getting financial backing from "wealthy supporters who sometimes made surprise visits in the Asturias mountain barangays by helicopter."

In an interview with visiting mediamen, De Guzman, a native of Manguiao, Asturias, said last June 4, at about 8 p.m. a helicopter with orange stripes on its body made a surprise trip to Manguiao to retrieve a wounded comrade.

**RAID**

Late in the afternoon of June 4, he said, an armed band believed to be remnants of the late fugitive Regino Laurente, raided the Manguiao public market and killed barangay tanod Eliezer Awit, formerly a CHDF member.

Two other innocent civilians were also slain in that incident, including Commander Blackie, who was reportedly

finished off by Commander Nilo, alias Commander Bernan, in nearby barangay Bairan.

Blackie, whose real name was Jose Trocio, had to be killed because the armed group failed to get the needed medication to save a seriously wounded Commander Blackie.

The helicopter that arrived that night failed to get Blackie because a comrade had already taken the body.

De Guzman said another helicopter, in dirty white color, also made a surprise trip to Manguiao.

**FROM NEGROS**

The two helicopters had been noticed to have come from the direction of Negros province, one of hotbeds of the insurgency in the Visayas.

Aside from the two helicopters' surprise visits, Cebu city NDF officials from Cebu city visit Manguiao and its neighboring barangays regularly to conduct teach-ins and indoctrination sessions, de Guzman said.

The wealthy supporters coming from Negros, de Guzman said, have encouraged barangay folks to plant marijuana because "collecting contributions would not be enough to finance a cause."

De Guzman said the barrio folk were told that marijuana could give them better income and would further the group's cause in the mountain barangays.

Mediamen were flown to Manguiao by helicopter piloted by Lt. Chinky Coloso and Capt. George Capili to get not only a closer look of the reported CHDF atrocities in the area, but also of the workings of the remnants of the Laurente group.

**NO INTERVIEW**

Arsenio Comedia, former barangay captain of Manguiao, told SunStar Daily he had never given interviews to a mediaman who reported in his paper (not SunStar Daily) that the CHDF men in Manguiao had been tagged responsible for the robberies and killings in the area.

Comedia said the CHDF men in Manguiao have been maintaining peace and order in the area and have successfully repulsed attempts from the Laurente group to sow fear and terror.

The Manguiao trip was part of the counter-insurgency campaign launched by RUC-7 Chief Brig. Gen. Renato A. Ecarma.

The same observation was also made by Zosimo Herbito, Magcalapi barangay captain and by Asturias Mayor Dominador Toong.

The mediamen were accompanied to Manguiao by Lt. Col. Jewel F. Canson, Cebu PC/INP provincial commander; Lt. Col. Manuel Cabigon, RUC 7's chief for civil-military operations; Col. Alfredo Santos, chief of the 7th Civil Relations Group; and Capt. Gilbert Llanto of the Philippine Air Force.

PHILIPPINES

LABOR RELIANCE ON UNREGISTERED ALLIANCES GROWS

Quezon City ANG PAHAYAGANG MALAYA in English 13-20 Jul 85

[13 Jul 85 p 12]

[Article by Noel Bartolome: "Labor Finds Bigger Muscle in Alliances"; First of two parts]

[Text]

(Following is the first of two articles on an emerging phenomenon in the labor sector: the proliferation of, and, in many cases, apparent wide support enjoyed by, informal labor alliances not registered with the labor ministry but involved in bargaining. These alliances are now target of a thinly veiled government crack-down, as no less than President Marcos and Prime Minister Virata viewed them as "communist-infiltrated.")

Filipino workers, once described as an "inarticulate group" and not prone to organizing, are starting to show more muscle and brains, and have come up with the latest weapon to strengthen their collective bargaining positions: labor alliances.

Such newly mushroomed workers' alliances, often more in the news than the traditional workers' federations, are mostly not registered with the Ministry of Labor and Employment (MOLE), but have been seen to call simultaneous strikes and wage other mass actions in support of some issues of the workers.

The latest trend in organizing such alliances has been to form them according to territory, in similar lines of industry, and in conglomerates or chains of factories owned by one individual or group, according to an article in the NASSA News, a monthly publication of the church-based National Secretariat for Social Action, Justice and Peace.

Examples of these alliances are the geographical Alyansa ng mga Manggagawa sa Valenzuela (AMVA), which groups unions in Valenzuela town in Bulacan, now dubbed as the "strike capital;" and the labor alliance of bank workers or BELA (Bank Employees' Labor Alliance).

"The sheer numbers and acronyms of such alliances may seem confusing to labor observers, but they do serve a purpose. Workers see these organizations as a step in unifying various segments of the labor movement. These allow independent unions and unions under rival federations to work together under a common goal," the NASSA News article said.

Thus, one now sees local unions affiliated with either the moderate Trade Union Congress of the Philippines (TUCP) and the militant Kilusang Mayo Uno (KMU) forming loose alliances to effectively assert their common demands, such as the enforcement of government wage orders, full recognition of legitimate unions, implementation of collective bargaining agreements and as a defense against the threat of layoff, considering that most financially strapped companies have resorted to retrenchment to cut costs.

The NASSA cites as examples of the workers' newfound sense of "one-for-all-all-for-one" the move of strikers of General Rubber and Artex in Malabon to send part of their picket force to help defend barricades in other strikes endangered by goons and cops.

An organizer in Valenzuela, where over 100 unions have banded together under the AMVA, says that should any strike in that town be harassed, alliance members have made a pact to go on simultaneous work stoppages.

Manny Arias, secretary general of the 20,000-strong Garment and Textile Labor Alliance (GATELA) told Malaya their member unions decided to ignore temporarily the differences of their mother federations to unite and counter the exploitation of workers in the garments and textile industry.



He said unions from TUCP, KMU, Federation of Free Workers (FFW), Trade Unions of the Philippines and Allied Services (TUPAS), and the Philippine Social Services Labor Unions (PSSLU) formed GATELA last Dec. 2, 1984.

Arias said the alliance aims to fight for the full implementation of wage orders, especially in small and medium-scale factories. They are also for the abolition of the apprenticeship program, a setup which they said results in many workers not being given regular status, since most managements give only six-month contracts to casual workers, and hire new laborers once the contracts expire.

He said GATELA is also tasked to protest against lower salaries given to women workers in many garment and textile factories, which comprise almost 30 per cent of all manufacturing plants in the country.

GATELA claims a nationwide membership of 60 local unions, which provide moral and financial support to members who are on strike, Arias said.

[20 Jul 85 p 12]

[Article by Noel Bartolome: "Labor Finds Bigger Muscle in Alliances"; Conclusion]

[Text]

Deputy Minister Carmelo Noriel of the MOLE stressed that the informal labor alliances are legal organizations, since the Philippine Constitution guarantees the right to organize and freedom of expression.

He said that there is nothing basically wrong with the existence of unregistered workers' alliances, whose main objective is to unite the local unions and support the cause of the workers.

The only problem with some alliances, he said, is when they meddle in the collective bargaining of member-unions and thus hamper the settlement of labor disputes, he said.

Noriel pointed out that when officials of the labor alliances agitate workers to go against the CBA formulated by management and the local union, intra-union disputes arise and industrial unrest in the company occurs.

Once the activities of the labor alliances interfere with local CBAs and workers disagree with the position of existing unions, trouble starts, especially when union members refuse to recognize the agreement of the union officers and the management, Noriel said.

He added that the illegal activities of alliances start when they encourage workers to dishonor even legitimate CBAs, and agitate the union to stage strikes and gain political grounds by expanding the economic demands of the workers to include other issues, such

as the alleged trade union repression under the Marcos regime, the abolition of so-called anti-labor laws (BP 130, 227 and LOI 1458), etc.

He expressed fear that some labor alliances might also be communist-infiltrated, particularly those groups who foment industrial unrest in the country even if the demands of local unions were already granted.

However, the latest escalation of factory strikes cannot be attributed directly to the labor alliances, since many of the labor disputes involve legitimate union demands, he said.

He said the existence of the alliances is legal, but when such labor groups foment disorder or encourage unions to violate laws, their activities become illegal and subject to prosecution.

"The government should deal with the alliances, since the member unions are MOLE-registered; however, there must be a vigilant check on the illegal activities of some groups to counter troublemakers," he added.

For his part, Ernesto Herrera, secretary general of the Trade Union Congress of the Philippines (TUCP), said many informal labor groups usually organize illegal protest actions and even illegal strikes to disrupt industrial peace.

He said most alliances have the courage to "foment disorder" in factories, since such unregistered organizations are not accountable for their actions.

Herrera said some regional alliances agitate local unions to refuse legitimate CBAs. The result of this is that labor relations are upset, labor unrest intensifies, and "their political objectives" are fulfilled.

He said communist-infiltrated alliances ride on labor disputes and re-focus workers' attention to issues that will pit them against the entire government system.

The TUCP, he said, is now strengthening its organization to counter the "growing influence" of the labor alliances with local unions, he said.

In spite of all the fuss over the informal labor organizations, the alliances continue to grow.

Malaya gathered that many local unions, influenced by the alliances, have already disaffiliated with moderate mother federations to join the militant organizations. This development is particularly evident in the banking industry.

Labor observers attribute the alliances' popularity to their patient handling of labor unions, and determined support to strikers, often, they say, without any monetary compensation in exchange.

The escalation of picketline violence has also enhanced the organization of the informal labor groups, who often make it a point to send "reinforcements" to beleaguered strikers.

Miguel Guarino, chairman of the Alyansa ng Manggagawa sa Valenzuela (AMVA) said, "hanggang ang mga obrero ay hindi nahahango sa hirap, ang mga alyansa ay patuloy na lalakas upang ipaglaban ang interes ng uring manggagawa."

CSO: 4200/1454

PHILIPPINES

PROVINCIAL KBL LEADERS CHANGE PARTIES

Quezon City ANG PAHAYAGANG MALAYA in English 12 Jul 85 p 9

[Text]

A spate of changes in party affiliations among so-called stalwarts of the ruling Kilusang Bagong Lipunan has begun in the provinces, notably in the Visayas and Mindanao.

The trend, observers said, could spell the doom of the ruling party in forthcoming electoral exercises, at least in these traditional bastions of KBL leadership.

Just recently, four KBL leaders in Davao pledged allegiance to the United Democratic Organization (UNIDO) Davao del Norte in simple oath-taking ceremonies two weeks ago before UNIDO president former Sen. Salvador H. Laurel.

The change of party affiliation by the four former KBL stalwarts in Davao was preceded by the resignation of a leading KBL party man and member of the Sangguniang Panlalawigan in Agusan del Sur.

Other resignations from the ruling party have been noted in other Visayan and Mindanao provinces, particularly in Misamis, Cebu and Davao.

Observers said that the main cause for the "disintegration of KBL unity" is the intramurals within KBL ranks wherein one faction would try to wrest control of the ruling party leadership in the area from rival groupings.

One of the long-standing disputes between KBL stalwarts in the Visayas is that between the Durano and Gullas factions in Cebu. No less than President Marcos himself was "forced" to intervene in the dispute.

Just recently, former solon Ramon Durano and Cebu Gov. Eduardo Gullas, both political king-

pins in the province, made an uneasy truce before the President who called them to Malacanang for consultations on the problems in the province.

Following their reconciliation, the President then appointed Edgar Gica as vice governor and Delfin Quijano and Vicente Disquitado as members of the Sangguniang Panlalawigan of Cebu.

Gica, Cebu Sangguniang Panlalawigan floor leader, will replace MP Ramon Durano III who has been elected to the Batasan Pambansa.

The four KBL stalwarts who formally joined UNIDO were Davao del Norte vice governor Gelacio P. Gementiza, board members Ruperto C. Gonzaga and Virgilio C. Boiser, and former

mayor of Tagum and now barangay captain Antonio M. Lagunzad.

Gementiza was earlier reported to have been courted by the new KBL regional boss assemblyman Alejandro Almendras (KBL-Davao del Sur) to return to the ruling party. The vice governor, however, declined the offer of Almendras reportedly because "sticking to the party in power will only prolong the sufferings of the Filipino masses."

Opposition Member of Parliament Rolando C. Marcial (PDP-Laban - Davao del Norte) said the affiliation of the KBL leaders with the UNIDO "does not only strengthen the opposition in the province but also ensures their victory in the coming 1986 local polls."

Marcial said the combined forces of the former KBL stalwarts is more than enough to topple down the present leadership of the province as well as of the 21 towns.

The opposition solon, who traced the roots of the growing insurgency problem in the province to the extreme poverty suffered by the people and the lack of the credibility of the present administration, predicted a landslide victory of the opposition in the coming elections.

Gementiza, on the other hand, said they are convinced of Marcial's sincerity in paving a way for them to join the opposition and for his call for reforms in the bureaucracy. "He is the true leader of the opposition in Davao del Norte and that's

why we are rallying behind his leadership," Gementiza further said.

Meanwhile, in Agusan del Sur a leading KBL partyman and member of the Sangguniang Panlalawigan of this province tendered an "irrevocable" resignation last week in a move seen by opposition sectors as an indication of the continuing "disintegration" of the ruling party.

Casiano Cabalan, elected in 1980, renounced his KBL membership because "he could not anymore swallow the corruption inside."

The resignation letter, dated June 14, was addressed to Minister Jose Rono of the Ministry of Local Government and Community Development.

A copy of the letter

was furnished Mambabatas Pambansa Democrito O. Plaza, regional chairman of the Kilusang Bagong Lipunan (KBL).

Cabalan is the fourth KBL bigwig to bolt the party. His action followed the earlier resignations of former vice governor Melchor Libaranes, Sangguniang Panlalawigan member Ceferino Paredes and vice governor Lamberto de Leon.

Atty. Paredes who quit from the party two years ago and is now a leading opposition figure told Media Mindanao News Service in an interview that Cabalan's resignation shows that "there are cracks in the KBL."

He also said that he received a still unconfirmed report that a KBL mayor of a river town has followed suit.

CSO: 4200/1454

PHILIPPINES

VIOLENT 15-MONTH TEXTILE STRIKE RESOLVED

Quezon City ANG PAHAYAGANG MALAYA in English 14 Jul 85 p 2

[Article by Jun Lopez]

[Text]

One of the bloodiest strikes in recent labor history -- the over a year old dispute at the Artex Development Corp. in Panghulo, Malabon -- ended yesterday.

In an agreement signed by Rustico Cortez, president of the Samahan ng mga Manggagawa sa Artex (Samar) and Medardo Briosa, president and General Manager of Artex, both parties agreed to resume the operations of the textile factory, and lift the picket line which was set up April 24, 1984.

The workers will return to work tomorrow after several demands are granted, such as the reinstatement of four "arbitrarily dismissed" workers: Rolando Llanes, Leonardo Valencia, Jerry Monares, and Pedro Abisino.

Both workers and management agreed on a P35 daily salary, and emergency cost of living allowance, P12 higher than the workers salary before they went on strike, but much lower than their original demand, "because of the factory's distressed financial operations."

During yesterday's dialog at the Northern Police District (NPD) headquarters in Camp Karingal, management agreed to bestow regular status on all workers who have been in the factory for more than six months.

The management also promised it will not make any retaliatory moves against the striking workers.

In front of NPD chief of operations Col. Romeo San Diego, labor arbiter Esteban Calalang, and labor official Col. Julian Alzaga, the workers and the management also agreed on the following:

- Workers who were living inside the Artex compound before the labor dispute, should be allowed to reoccupy their land;

- All cases, except the representation issues filed by either parties, should be deemed dismissed; and

- The management will extend financial assistance of P7,000 to some P300 workers.

During the strike, several workers were harassed, injured, and arrested by the police.

On May 17, 1984, James Paulo, a striker, was shot by the police in the right thigh. The slug is still embedded in his leg, causing him much discomfort.

On June 30, 1984, some 1,000 policemen swooped down on their picket line and violently dispersed the striking workers.

On July 9, 44 persons were arrested and 98 others were injured when Metrocom and police anti-riot squads violently broke up anew their picket line.

CSO: 4200/1454

PHILIPPINES

URBAN MISSIONARIES JOIN STRIKERS, SQUATTERS

Quezon City ANG PAHAYAGANG MALAYA in English 14 Jul 85 p 12

[Article by Emmie Altamirano]

[Text]

MANILA (DEPTHnews) — They have left convent life to cast their lot with organized workers and the urban poor. To do so, they have had to live like these people and share their troubles, discomforts, even their pain.

From an austere but decidedly comfortable domicile, they have had to move to the squalor of slum surroundings — the stench of *esteros* (city canals), flies and mosquitoes, a perennial lack of water and privacy, cramped quarters. And after a tiring day, they still have to do their own housework.

Initially, too, they had to contend with isolation from their congregation. Then, church and congregation officials "tolerated" but did not openly support their activities because of the political turn these activities inevitably took.

Even the substance of their prayers has changed. Today, their reflections center on the day's encounters. These Catholic nuns, priests, brothers, seminarians and lately, lay church workers, are Urban Missionaries (UM). The group was established in 1977 as the task force — the "heart and arm" — of the labor and urban poor apostolate of the Association of Major Superiors of the Philippines (AMSP).

A counterpart of the Rural Missionaries who work with farmers, the UM works in factory belts and depressed areas where there is a concentration of organized and semi-organized workers and slum dwellers.

UM members have linked arms with strikers as they defended picket lines, joined squatters in resisting demolition teams assigned to tear down squatter shanties,

and reportedly faced threats and actual harassment from the military. Some nuns have even worked as factory hands to find out the real situation of the workers.

However, UM sees its work as merely supportive of the poor people's struggle for justice and full human development which means being freed from structures that imprison them.

Unlike in their traditional apostolate where they already have a blueprint of their program before going to a community, the UM first consults the people and analyzes the situation. "What is the need, how can we respond?" The people likewise ask: "What can you do?" From this exchange, a program develops.

To date, the missionaries run labor centers

and Parish Labor Desks to educate and organize workers, day care centers for children of labor organizers and a health program which teaches first-aid skills, herbal medicine, acupuncture and acupressure.

They also put out the Labor Information Center Bulletin in answer to the workers' desire to have supplementary readings for their studies on "genuine trade unionism." Published twice a month in Filipino, the national language, the bulletin contains a situationer on what happens in the picket lines and factories.

Actually, UM is a child of the strike at La Tondena, a local distillery, in 1975. The first strike after the declaration of martial law, it involved 800 workers and was supported by a group of religious together with the nearby Tondo community.

Among the religious was Sister Asuncion Martinez, ICM who became one of six UM pioneers. The others were a Maryknoll sister, a Medical

Mission sister, a Franciscan, a Benedictine and an Oblate priest.

Sister Asuncion, who was then already 65 years old and retired after 30 years in the academe, was jolted by what she saw: The brute force used by the military men who came 11-truck strong to break up the strike, the power of organized workers who were able to paralyze production for two days, the support of the community and the "rows and rows of religious with food on one hand and a rosary in the other." This last was an image which would later symbolize the work of UM.

Sister Asun, as she is fondly called, kept vigil inside the factory with the other workers until they were forcibly dragged out of their posts on the second day. The strike forged a link between the strikers and their religious supporters whom they called "ahim-nae of La Tondena," then "Friends of the Workers" before they became the Urban Mis-

sionaries in 1977.

That year, Sister Asun went to live in the ground-floor of a two-storey wooden house in Bagong Baryo (New Barrio) in Caloocan City. There, in the second biggest depressed area in Metro Manila (next in Tondo), she learned how the 150,000 people crammed in 47 hectares lived — under constant threat of ejectment, unemployment, hunger, disease and death.

She saw stark ironies. Families of workers in garment factories had nothing to wear; those in the shoe factories were running barefoot; those canning and preparing foodstuffs were going hungry most of the time. The more desperate women and children lived off lean pickings from fly-infested garbage heaps in this community of some 52 factories mostly owned by Chinese.

In another community, another ICM sister, Sister Bautista lived among the urban poor in the factory belt in Sangandaan, Novaliches, Quezon City.

PHILIPPINES

COLUMNIST ANALYZES POSSIBILITY OF FURTHER PESO DEVALUATION

Quezon City ANG PAHAYAGANG MALAYA in English 16 Jul 85 p 7

["Business Views" column by Jake Macasaet: "Is the Peso Sinking Fast?"]

[Text]

Businessmen and politicians have again started talking about the inevitability of another round of devaluation. The sole basis for the speculation seems to be the mild - only 005 per cent - depreciation of the peso during the past three weeks. On Monday, July 1, the interbank rate was quoted at P18.465. Two Mondays later, the rate sank to P18.5475, deteriorating the local currency by 8.25 centavos during the period.

What alarms some businessmen is that the slow but steady depreciation is happening at a time when, according to Prime Minister Cesar Virata, the strength of the peso is derived mainly from relatively lower demand for foreign exchange. The low demand in turn is a result of what is still considered excessive interest rates that now vary from 34 to as high as 38 per cent.

The rate in the Binondo Central Bank which many businessmen consider as the more meaningful guide or indicator, has moved only slightly from the old level of P18.50 to P18.55 to the dollar.

The slow deterioration of the peso in the face of low demand for dollars might well indicate that local monetary authorities are beginning to yield to the pressure of the International Monetary Fund to adjust the peso to more realistic levels. Sources in the Binondo CB confirmed to me the other day that there really is a plan to adjust the rate slowly by 10 per cent by the end of the year. By then, the rate would be P20.405.

The downward adjustment is an obvious attempt to make Philippine exports more competitive, theoretically. But if we consider that the bulk of the manufactured exports are almost entirely dependent on imported components, a downward adjustment of the currency will not help that much. In other words, there seems to be no point in liquidating export letters of credit at say, P20 per dollar when the costs of imported components are just as high.

The unquestionable benefits that the economy can get from a downward adjustment necessarily comes from exports of agricultural products which have

minimal imported costs. This is best shown in the case of coffee beans. Since the Philippines became a member of the International Coffee Organization in 1981, the country has earned around \$300 million.

There are political factors that argue against a sudden sharp devaluation. A devaluation necessarily raises domestic and import prices. This, in turn, will negate the well publicized attempts of economic planners to cut the inflation rate down to levels far below interest rates.

Faces with two successive elections - the local next year and the Presidential in 1987 - a devaluation at this time appears to be political suicide. On the other hand there is that pressure from the International Monetary Fund to make further currency adjustments. Resistance could be used as an excuse to deny the country the much-needed foreign credits to fuel the economy.

In other words, the leadership seems to be faced with a dilemma between politics and economics. If politics prevails like it did in many instances in the past, we could be drawn farther away from recovery.



PHILIPPINES

DAVAO STUDENT ACTIVISM PROMPTS SUSPENSION OF UNIVERSITY CLASSES

Quezon City ANG PAHAYAGANG MALAYA in English 16 Jul 85 p 9

[Text]

**DAVAO CITY** — The University of Mindanao has decided to suspend classes indefinitely beginning Friday, when some 7,000 students succeeded in forming human barricades at the school's main gate and other entrances.

The University-wide demonstration, led by the local chapter of the League of Filipino Students was launched July 11 in protest over what they called the unjustifiable increase in tuition and miscellaneous fees in the university.

The students who vowed to continue manning their barricade until their demands are met are also urging the school administration to grant them the following:

The students of Davao have once again resorted to mass actions to demonstrate their protest against unjust practices by those in authority like the tuition fee and other issues now plaguing the University of Mindanao.

- Non-implementation of the National Service Law and the manual of regulation for private schools of the Ministry of Education, Culture and Sports (MECS);
- Increase in salaries and wages of school personnel;
- Reduction in the number of students from 70 to 45 in per classroom;
- Salary hike for junior executive training program scholars;
- The firing of incompetent, inefficient and corrupt teachers;
- The abolition of Career Education 110;
- Improvement of the school's facilities;
- Student representation in all policy-making bodies of the school;
- Right to peaceably assemble to seek redress of grievances;
- Right of teachers and employees to unionize;
- Abolition of the NCEE and Spanish

subjects; and

- The reorientation of CAT and CMT courses.

Butchie Quisido, LFS chairman for the University of Mindanao, told **Malaya** that the administration refused to rollback the 15 per cent increase in tuition fees and to raise the salaries of teachers and non-academic personnel during their dialog last June 25.

"We cannot roll back the tuition fee

increase or raise the teachers' salaries while the issue is not yet resolved by the Supreme Court on what to do with the 60 per cent allocation for the employees and school facilities," engineer Pedro Torres, the university's executive vice president for management services told **Malaya**.

He said that the indefinite suspension of classes was agreed during the meeting of university heads.

PHILIPPINES

RAMOS APPROVES FORMER NPA ENLISTMENTS IN PC

Manila BULLETIN TODAY in English 12 Jul 85 p 16

[Article by Milton P. Pascua: "Enlistment of 3 Ex-rebels Okd"]

[Text]

PORO POINT, La Union — Lt. Gen. Fidel V. Ramos, acting Armed Forces chief of staff, has approved the enlistment to the Constabulary of three former New People's Army top commanders who earlier surrendered to military authorities and since then have participated in the counter-insurgency campaign in the Ilocos province.

Brig. Gen. Tomas Dumpit, Regional Unified Command (RUC) I commander who recommended the enlistment of the three former rebel leaders, said that since their surrender, the former rebels have actively assisted government forces in fighting the NPA. He said they helped in the recent raid of an NPA camp in sitio Mayapyap, Cervantes, Ilocos Sur. This resulted in the killing of eight rebels and the seizure of several high-powered firearms.

Ramos, who was here recently, was briefed by Ilocos region military commanders, on the

peace and order situation in the area.

Lt. Col. Roy P. Alzate, Ilocos Sur provincial commander who took custody of the former rebels, said that their enlistment is one way of showing to the rebels the compassion and "open arms" policy of the government toward the dissidents.

Alzate identified the former top rebel commanders as Simon Pislaan, alias Ka Sablot, a political officer and leader of the front guerrilla unit; Felipe Galleta, alias Ka Warlie, medical officer and leader of the Sandatahang Unit Pampropaganda, and Danny Andres, alias Ka Johnny and former top aide of Gigi Bringas, an NPA top commander of Abra who was slain during a shootout with government forces in Bangued.

General Ramos directed Alzate to prepare all the necessary documents for the enlistment of the three to the Philippine Constabulary.

PHILIPPINES

EDITORIAL VIEWS GOVERNMENT OIL BUYING POLICY

Manila BULLETIN TODAY in English 14 Jul 85 p 6

[Editorial: "Oil Purchases"]

[Text]

**T**HE ordinary observer may wonder why the government is hesitant to buy oil in the spot market and thereby save about \$1 per barrel. Indeed, the energy minister cannot be definite. He says PNOC "will seriously consider" purchases from the spot market. He says the government "cannot make an official decision" until OPEC makes an official act (that is, lower its official prices).

There is only one explanation and that is, the government, through PNOC, cannot unilaterally terminate its agreements with the other governments

without risk of jeopardizing the employment of about 300,000 overseas workers in the Middle East.

The Energy Ministry thinks that the saving that will accrue to the government by buying spot will not offset the loss resulting from the displacement of the workers in the Middle East, assuming that the price differential is about \$1 per barrel.

But all indications point to lower OPEC prices. The slack demand has been harming a number of OPEC members and there is no way present prices and

production ceilings can be maintained any longer.

That is why Minister Velasco says oil prices will definitely go down and that is why he does not rule out the possibility that domestic prices of petroleum will be lowered next month.

Lower oil prices will provide some relief to the balance-of-payments difficulties, reduce inflation, and help the economic recovery program. This will be possible without antagonizing the friendly governments in the Middle East.

PHILIPPINES

ARMED FORCES OFFICERS BELIEVE NPA RECEIVES 'OUTSIDE' AID

Manila BULLETIN TODAY in English 14 Jul 85 p 14

[Text]

Twenty high-powered firearms captured by or surrendered to government troopers were presented yesterday to Lt. Gen. Fidel V. Ramos, acting Armed Forces chief of staff, during his visit to Mati, Davao Oriental.

The serial numbers of the guns are not in the records of the Armed Forces, giving rise to the belief that they came from outside sources, according to Col. Marcelo C. Blando, commander of the Army's Task Force Panther, and Lt. Col. Carlos Peña, Davao Oriental PC commander.

The guns were two Browning automatic rifles, two grenade launchers, six Armalites, and 10 Garands. Ramos told Blando and Peña to send them to Camp Aguinaldo for further verification.

Ramos who visited critical areas of Region

11 was told by local officials that peace is gradually returning to their areas.

In Mati, Davao Oriental, Mayor Gervasio R. Valenteros told Ramos that the people are now willing to fight the NPA because they have been pushed too far by the NPA with their "progressive taxation."

In Davao City, Mayor Elias Lopez informed Ramos that peace and order has greatly improved.

Lopez said he was particularly impressed by the response of the clergy who were once bitter critics but are now prime movers for better understanding and cooperation among all sectors of society.

In all the provinces of Region 11 that Ramos visited, it was noted that where the peace and order councils are active, dissident activities have virtually come to a standstill.

PHILIPPINES

OPPOSITION PAPER URGES VIRATA TO 'SPILL BEANS' ON CRONIES

Quezon City WE FORUM in English 12-14 Jul 85 p 4

[Editorial: "Time for Truth"]

[Text]

No other man, with the exception of Mr. Marcos, knows more about the people who took advantage of their positions and connections to enrich themselves than Prime Minister Virata.

As the chief architect of the government's economic development program which turned out to be a total flop and as the main negotiator for all those dollar loans which aggregated \$26 billion, Virata has, in his memory, if not in his secret notes, a full knowledge of the fiscal shenanigans indulged in by fellow government officials, presidential relatives and cronies to defraud the government and all government financial institutions.

The Prime Minister has hinted on a number of public occasions how the \$26-billion loans were piled up, who were the relatives and cronies who obtained billion-peso loans from the DBP, PNB, PVB and other credit institutions which they never paid for.

He knows also who had circumvented Central Bank rules on dollar salting to enable them to invest in the U.S. and other foreign countries. He must have listed down their identities and their investments, knowing as

he did that what was happening was not only legally but also morally wrong.

Now, the time for Mr. Virata to "spill the beans" has come. For too long, he has protected, by his silence, all these crooks and despoilers of the country's wealth who have fled with the country's foreign exchange supply and who are responsible for the flight of untold amounts of dollars which, he must know, constitutes economic treason.

With the *Mercury News* disclosure of the "tip of the iceberg," Mr. Virata must now open up, not so much to pinpoint those who have wronged the people as to save the country. For the Philippines is on the verge of economic and political collapse.

This is the biggest challenge to Cesar E. A. Virata in his entire life — the challenge to tell the truth in order to save the Republic. Upon him now depends the fate of the country and its 54 million Filipinos.

This is the time for truth, not for equivocation; for courage, not for any misplaced sense of loyalty; for patriotism, not for love of self and family.

Prime Minister Virata has the floor.

CSO; 4200/1454

PHILIPPINES

PAPER VIEWS 'CAMBODIA-LIKE SITUATION' IN MISAMIS ORIENTAL

Quezon City WE FORUM in English 12-14 Jul 85 p 6

[Article by Vincent V. Jaudian]

[Text]

**CAGAYAN DE ORO CITY**  
- The daily life of residents of Misamis Oriental province - which until last year was the calmest in Mindanao - has fast deteriorated into a Cambodia-like situation.

Everyone's life - be it of a military man, a rebel, a plain citizen - hangs on a daily balance as the conflict between the military and the insurgents escalates and grows hotter, sweeping the civilian population in its deadly wake.

Insurgency intrusions (by rebels moving out of hot spots in southern Mindanao) beget military counter-insurgency measures, which in turn prompt rebel retaliations, and so on.

The tragedy is that the civilians are the ones who suffer the most. Their houses are burned down in the name of security. Farmers and countryside residents are relocated, also in the name of security.

As a result, farmlands and other food-producing areas are neglected. Food naturally has

become scarce. A normal life is no longer possible.

In congested evacuation centers throughout the province, diseases have struck, especially among already malnourished children.

Clothing, medicines, food, other basic needs are in short supply, or if available, beyond the reach of the common citizen.

It has become useless to tote up casualty figures. Every day, sometimes every hours, the figures increase.

Suffice it to say that many civilians have already died, from direct fire and from the cross-fire as rebels and the military step up operations against each other.

Many soldiers have been ambushed and killed, many political leaders have been assassinated, many labor and other sectoral leaders kidnapped and sometimes salvaged.

Corporations and businessmen are starting to pull out. The economy in this once

most progressive area in Mindanao is slowing to a halt.

Atrocities committed by both sides can no longer be counted. Rebels will kill you if you don't help them. Soldiers will kill you if you do help the rebels.

Wherever your sympathy lies, you're open game.

And if that's not a problem enough, one has to contend too with the horrors raised by fanatical groups like Tadtad and Kabisig and the CHDFs and other para-military groups, illiterate, ignorant, rapacious, trigger-happy rascals taking advantage of the state of siege to sow terror and more death.

Everyone here hopes some responsible government and military officials and civic-spirited association can sit together to stop the slide of the province to anarchy and chaos.

As the hourly sound of gunfire and the anguished cries of children indicate, time is fast running out.

CSO: 4200/1454

PHILIPPINES

REACTION TO ENRILE MOTION TO ABROGATE MBA

KBL Rift Over Issue Seen

Cebu City VISAYAN HERALD in English 19 Jul 85 p 4

[Article by Butch Bernandez]

[Text] Unity in the ruling Kitasang Bagong Lipunan (KBL) may be put to a test with the highly-divisive issue of abrogating the U.S. military bases agreement before the expiration of the treaty in 1991.

The move to abrogate for new terms, reportedly fast gaining adherents within high Philippine military circles, was earlier revealed by Defense Minister Juan Ponce Enrile in reaction to a reported \$15 million cutback in military aid to the country under the current terms of the renegotiated RP-U.S. Military Bases Agreement (MBA).

Batasan sources, however, said that a BKL bloc reportedly headed by another cabinet minister is set to counter the Enrile-inspired move when the defense minister formally presents his resolution for the abrogation of the MBA in the Batasang Pambansa when it reconvenes for the second regular session beginning next week.

Minister Enrile had earlier disclosed that his office is preparing a formal resolution calling for the abrogation and renegotiation of the RP-US MBA, even as he branded the U.S. Congress action to slash \$15 million from the \$195-million compensation package without consulting the Philippine Government "as unwarranted and tantamount to a direct violation of the agreement."

Enrile, according to reports, had sharply reacted to the aid cutback, saying, "the U.S. Congress has no business dictating the terms of the agreement or altering it unilaterally."

He said he will enlist the support of "nationalists in the Batasan" to his resolution, adding that "if they (U.S. Congress) can tinker with the agreement on their own, then I believe that the Philippine Parliament also has the right to examine it unilaterally as well as abrogate it and seek renegotiation if warranted."

Political analysts, however, predicted that Enrile's resolution may trigger a direct confrontation between him and top KBL leaders, saying that while Mr. Marcos and his men may criticize American policies toward the Philippines from time to time they are all agreed on the need to keep U.S. bases here as a counter-weight-led insurgency threat now raging in the countryside.

Opposition leaders, meanwhile, dared the ruling KBL to formalize the Enrile resolution into a cabinet bill proposal.

NAJFD: No Manila-Washington Rift

Cebu City VISAYAN HERALD in English 20 Jul 85 p 4

[Article by Nationalist Alliance for Justice, Freedom and Democracy: "Not Really a Rift Between FM, U.S."]

[Text] The U.S. Congressional amendment on economic and military aid to the Marcos government irritates President Marcos but essentially it is still supportive of the dictatorship.

The threat of Defense Minister Juan Ponce Enrile to call for unilateral abrogation of the military bases agreement (MBA), should the U.S. Government change the pact's compensation "mix," is but an empty reaction and at best an indication of minor conflicts. And this should not be taken as a rift between Marcos and the U.S. categorically declared in an executive summary paper entitled "NSSD: U.S. Policy Toward the Phils" that "the U.S. does not want to remove Marcos from power" and that "our support is one of Marcos remaining strengths."

Impressions that liberalization is taking place courtesy of U.S. pressure is dangerous. And it is disturbing that a number of our people, including sincere oppositionists, have fallen into the trap of embracing, even praising, the U.S. for all its 'democratically-oriented' moves for reforms.

It should be pointed out that as early as last year, all major points of differences between Marcos and the U.S. have already been resolved.

These include the succession issue, the investigation of the Aquino assassination and prosecution of the indictables, the dismantling of crony-controlled monopolies, and limited profit-sharing with the elite opposition.

The basic agreements on these issues are already in force, as shown by the restoration of the Sandiganbayan hearings, the abolition of the Nasutra, and the present composition of the Batasan.

It has also become evident that they have reached agreement on the importance of the forthcoming local and presidential elections. What remains is for them to reach further agreement on some of these issues.



On the elections, the extent of power-sharing with the elite opposition as well as details like when they should take place and if these are to be synchronized remain as irritants.

The United States, using aid as one leverage, hope to resolve such irritants in its favor. But still, by whatever mix of economic and military aid it is aid for the Marcos dictatorship.

#### Flag Officers Back Repeal

Manila BULLETIN TODAY in English 17 Jul 85 p 8

[Article by Jose de Vera]

[Text]

The Association of Generals and Flag Officers (AGFO) of the Armed Forces and the AFP "Reformist Group" supported yesterday Defense Minister Juan Ponce Enrile's call for the repeal and renegotiation of the 1983 RP-US Military Bases Agreement.

Enrile issued the call in reacting to reports that the US House of Representatives will channel part of the military aid provided by the bases accord to economic aid.

The AGFO is composed of 475 retired and active generals while the "Reformist Group" has young officer-graduates of the Philippine Military Academy with a following of about 3,000 officers.

Through its president and former PC Metrocom chief, Maj. Gen. Mariano Ordoñez (ret.), AGFO said "it is time the Philippine govern-

ment undertake strong measures to strengthen its self-reliance posture."

"During the years that we were in active service," Ordoñez said, "we were witnesses to painful experience in our dealings with our supposed friends and allies — US. We should have learned our lessons a long time ago, but we never learned. Now is the time to say to ourselves — 'We shall fight alone if need be.'"

He said the Filipino people possess very strong character and spirit, and can stand on their own without having to depend on anyone.

"It's about time that we, Filipinos, realize that we have

to develop our own capability in order to protect our own interests," he said.

Three other AGFO members recalled that at the outbreak of rebellion in Cotabato in 1973 by the Moro National Liberation Front, the AFP leadership, then under Gen. Romeo Espino went to Clark Field and asked for assorted ammunition, including mortar and artillery shells for howitzers. At that time, they said, the military found itself short of ammunition and artillery shells.

Opposition Paper Airs Suspicion

Quezon City ANG PAHAYAGANG MALAYA in English 20 Jul 85 p 4

[Editorial: "Gentle Arm-Twisting"]

[Text]

While nobody can quarrel with the current development in the Batasang Pambansa for the formation of a special bi-partisan committee to review all aspects of Philippine-American relations, one who is used to the ways of politics should view this move with the usual grain of salt. There is no doubt that politics makes the strangest bedfellows and this latest Batasan move could just be one such strange, albeit temporary union.

In the first place, why should the government beef against a United States' Congress proposal allotting most of the \$195 million aid to economic projects? Isn't the problem of this Republic mostly economic and therefore, more deserving of monetary aid than the military aspect of the country's problem?

Complementing the BP move, President Marcos suggested the formation of a commission to study RP-US relations with a view to resolving the bases agreement re-negotiation in 1991, or allowing it to lapse or abrogating it unilaterally before the agreement's tenure.

Were these moves taken during normal times and without the backdrop of the present economic crisis and the dictatorship regime, there is no doubt that not only the Batasan but the whole nation should move as one in rejecting the impositions of the US government on the rentals agreement. It would constitute a pure assault on Philippine sovereignty and should be fought and rejected by every self-respecting Filipino who values his freedom and dignity. But this is a totally different matter; our freedom and dignity have been outraged not by the US government but by, ironically, our very own government whose dictatorial abuses and proclivities have alienated us from our own brother Filipinos.

The opposition would be well-advised to indulge a second thought and go slow on this supposedly popular and snow-balling development at the Batasan. A seemingly patriotic stance at this point may yet prove to be a narrow and chauvinistic posture in the long run. For all they know, they might just be playing into the hands of Mr. Marcos who needs all the help he can get at this period. They should know that the man is a master at politics and political blackmail and at this point in time, to call the play a gentle persuasion is a charitable euphemism.

PHILIPPINES

NATIONWIDE REPORTAGE ON FRAUDULENT YOUTH GROUP POLLS

Baguio KB Election Questioned

Baguio City THE GOLD ORE in English 27 Jul 85 p 1

[Text]

**ELECTION QUESTIONS:**

*Why was the election moved one day earlier? Why were some KB chairmen not informed? Why were late candidates not admitted? Why did the counting of ballots start too soon while mediemen were banished out of the election hall? The lack of satisfying answers drove these protesting KB chairmen to walk out of the Baguio Convention Center and charge that unseen forces have rigged the elections for the youth's representative to the Sanggunian Panglungsod and other vital positions.\*JRD*

Leyte Complaints Reported

Tacloban City LEYTE FORUM in English 31 Jul 85 p 3

[Text]

PROTESTS filed by some 130 barangays over the July 14 Kabataang Barangay elections were immediately resolved through reelection proceedings conducted under the direct supervision of the KB Regional Coordinating Council.

Among the grounds for protests were improper canvassing which were not held at the voting centers, the voting of non-residents, voting of unregistered youths, over-aged candidates and even undue intervention from barangay officials.

It was also noted that around 15 elected KB chairmen are close relatives of the incumbent Barangay Chairman.

On the other hand, some opposition leaders, taking advantage of the issue for political purposes, dubbed the KB elections as a farce and a futile exercise of the youth's right of suffrage.

Majority of Taclobanons commented that the KB elections is a "good sign" that the coming elections for 1986 and 1987, will be far better-off than previous ones.

As summarized by Engr. Hilario Seno, the KB elections "has not only shown the administration's trust on the capability of the youth, but moreover, has manifested the government's intention to provide free, clean and honest elections.

Cebu Candidates 'Hand Picked'

Cebu City VISAYAN HERALD in English 19 Jul 85 pp 1, 11

[Excerpt]

The Kabataang Barangay election in San Remigio, Cebu, held last July 13-14, in several barangays had the trimmings of a real election except for some barangays whose candidates were hand picked by Barangay Captains running unopposed.

'Elders Responsible'

Cebu City SUN STAR DAILY in English 19 Jul 85 p 4

[Commentary by Wilfredo A. Veloso: "KB Poll Shenanigans"]

[Text]

THE irregularities that marred the recent *Kabataang Barangay* elections were an indictment not of the youth who were actually the victims but of their elders who were really the ones responsible for the rampant violations that made a mockery of the electoral processes. Where they should have guided the youth on the right path to prepare them for their role in future political exercises, these elders instead showed them how to make illegal shortcuts to power.

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The more idealistic among the youth who participated in the KB elections were naturally disillusioned. After what happened, I doubt if they still have any faith left in the sanctity of our electoral system. What they have learned in theory about our electoral processes was so different from what they actually experienced during the recent KB elections. The switching of ballots, the meddling by politicians, the flying voters were all new to them.

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Take the case of Ms. Ofelia Tabaquero Odilao. Ms. Odilao headed a KB ticket in the Poblacion of Talisay town. But even as the balloting was in progress, she and the other members of her slate began to realize that the elections were being rigged up against them. People who had no business interfering with the elections were reportedly seen actually calling the shots and working for their favorite candidates.

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In a formal protest filed with the KB board of election supervisors of the barangay Ms. Odilao and company

sought the declaration of a failure of election in the Poblacion of Talisay or the declaration of the protestants as the winners. They said that the results of the polls in that barangay did not reflect the true will of the youth of the place on account of the rampant irregularities that allegedly characterized the balloting.

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According to the protest, town officials and other non-authorized KB officials openly campaigned for certain candidates. Also against the wishes of the KB members, the voting center was reportedly set up at the town hall to insure the victory of certain candidates, instead of at the sports complex. It was further charged that before the actual voting, the ballots had not been examined and shown to the public to show that they were all in order. There were also ballot changes and there were even unaccounted ballots after the counting, it was further claimed.

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This corner hopes that the body with which the protest has been lodged will get to the bottom of the complaint and decide it according to the merit of its claims and not according to the wishes of certain town politicians who appear to have shown undue interest in the political activities of the youth of that municipality. Is it hoping against hope?

## Groups Hold Separate Polls

Manila BULLETIN TODAY in English 15 Jul 85 p 14

[Text] TAGAYTAY CITY — Two simultaneous Kabataang Barangay (KB) elections were held here by two different groups in the last two days, June 13 and 14, following the refusal of 18 out of the local KB chairmen to follow the directive of the city outgoing KB federation chairman, Francis Tolentino, son of former opposition Mayor Isaac Tolentino.

This refusal was prompted by the fact that while Tolentino's younger brother, Bem-

bol, was a candidate in their barangay, he was also groomed for the chairmanship of the KB federation of this city.

Francis Tolentino also reportedly insisted on making his family residence the headquarters of the local KB board of election supervisors, virtually making his house the center of activities of the KB polls, including coordination and supervision, monitoring and final counting and canvassing of the election and even election protests.

The 18 KB chairmen claimed that Tolentino violated many provisions in the KB general elections guidelines, like the calling of a local KB assembly, as directed by the KB general election guidelines, and for all the local KB chairmen to elect the KB board of election supervisors which is responsible for the conduct of the KB elections.

The elected KB chairmen of the 20 barangays here whose election were observed by the

MECS and Comelec representatives are: Ramon Maglabe, Elmer Natanawan, Zusan Tirebera, Lamberto Mendoza, Mausap, Alberto Mendoza, Trinidad de Guzman, Romy Cortes, Jun Mayatam, Eduardo Bayot, Villamor Razon, Alexander Alcazar, Florante Yitamo, Evangelina Pangniban, Benedicto Montenegro, Cornelio Caballig, Alexander Luna, Vicente Ampag, and Alejandro Coler. (Precy M. Yadan)

## Makati, Other Incidents Reported

Quezon City ANG PAHAYAGANG MALAYA in English 17 Jul 85 p 2

[Article by Gene Orejana]

[Text] Irregularities in the recently concluded Kabataang Barangay (KB) elections in Makati, resulting in the suspension of elections in 8 barangays, were confirmed yesterday by the official spokesman of Makati Mayor Nemesio I. Yabut. Daniel J. Hernandez, in a press statement, said "there was indeed massive fraud and terrorism employed by certain quarters during last Sunday's elections which prompted the KB Board of Elections (KBBES) to cancel elections in some barangays."

Hernandez added that KBBES officials received reports that a Bangkal KB Chairman, identified as Amado de Vera, and his followers, "have committed massive frauds and were in the process of terrorizing voters who did not vote for his (De Vera) candidate." The candidate was a certain Ferdinand Eusebio.

Hernandez said however the reports were "distorted by some local candidates to get some publicity mileage."

Two KB candidates had filed a complaint before the KBBES board to protest the anomalies committed in the polls. The candidates, Romeo Hilario and Armando Hildawa, both from Bangkal, claimed that De Vera was "railroading the election results through massive fraud."

Malaya sources revealed that irregularities were not only present during the election day, but also during the campaign period before the scheduled polls.

During the registration period, sources said flying voters were allowed to register their names without verification of addresses and identities. Some quarters even hauled youths to adjacent barangays to register there, sources said.

The absence of a teacher or principal to oversee the registration proceedings have also resulted in padded voters list in almost all of Makati's 24 barangays, sources said.

The sources said only the incumbent KB chairman of a particular barangay was present during the polls. The KB chairman also acted as the official Comelec of a designated precinct.

Local barangay officials were also seen meddling in the elections. These barangay officials, whose relatives and friends are candidates, were reportedly giving support to the candidates.

Violence also marred the proceedings with the mauling of a DZME radio reporter. Other incidents were reported in Pio del Pilar, Carmona, and Kasilawan.

The 8 barangays where elections were suspended are: Valenzuela, Kasilawan, Pio del Pilar, Bangkal, Guadalupe Nuevo, San Isidro, Guadalupe, and Carmona.

Hernandez also branded as "malicious and unfounded" a news story (not Malaya) implicating Ricky Yabut as the official who sought the suspension of elections in one of the barangays. The younger Yabut was said to be supporting a local candidate in the barangay.

Ward Politics Goal Seen

Quezon City ANG PAHAYAGANG MALAYA in English 17 Jul 85 p 4

[Editorial: "Starting Young"]

[Text]

Most Filipinos disgusted with the national leadership and the nationwide web of corruption it has bred would often look to this country's youth for salvation.

Often it is said, there is nothing one can do to change the evil ways of our current leaders, and that the next best thing to do is to prepare a new generation of responsible, patriotic young leaders.

It is, therefore, frustrating, to say the least, that we hear reports of how the Kabataang Barangay elections held over the weekend were marred with charges of rampant fraud, ranging from padding of the voters' lists, to the use of flying voters, to the meddling by supposedly responsible adult barangay leaders interested to propagate their kind of politics down to the level of the youths.

But why fuss over a seemingly innocent election of youths? Why would adults want to meddle in juvenile politics?

The answer is simple: the point of those who tampered with the KB politics is to perpetuate a kind of "chain of command" through the barangay system, that would seep down to the level of the youngest voters, namely, the KB members.

Thus, a KB chairman and his councilmen who are controlled by a faction in the barangay — say, the barangay chairman himself and his adult councilmen — will simply follow the instructions of that faction. If the faction is in turn partial to the ruling party or the incumbent mayor, then it is to be expected that its orders to the young KB officers would favor the incumbent.

We thus have here a built-in system of ward politics where even the youth are not spared. They, too, have become pawns in the ugly politics of their elders.

We have a setup where a national and local leadership, not content with the power it has concentrated in its hands through rampant electoral frauds, would now further want to extend its influence over young people who are only starting to exercise their right of suffrage. It would now seek to make them get used to the idea of cheating, of manipulating, to obtain power and retain it.

Of course, if the KB hierarchy is controlled by the well-oiled ruling party machine, it is much too easy to use them for the notorious "hakot" system whenever the government sponsors useless extravaganzas to which it brings thousands of captive audiences; and, of course, for campaigning among the young voters when the local elections and presidential elections approach.

Aside from that, a KB controlled by the ruling party is an effective weapon for brainwashing, the kind being sought to be accomplished through the National Service Law now under fire from the country's leading educators.

Since the time the President's daughter Imee took over, the KB has never recovered from charges that it is an administration machine for brainwashing the youth.

This, despite the fact that there are indeed a few KB leaders who are genuinely patriotic and loyal to their country, and not to the Marcos family.

Yet this latest election — perhaps one of the blackest in KB's history — proves one thing: despite its avowed purpose, the KB is, to this administration's mind, just another cog in its wheel of endless evil devices to remain in power.

And the thought that even the country's youths — supposedly the fond hope of this hapless nation — have been used and traumatized in the dirty ways of politics does not augur well for our future.

By starting them young in the ways of cheating, this regime has shown it would spare no sector of society to get what it wants.

CSO: 4200/1471



PHILIPPINES

WEEKLY VIEWS POTENTIAL OPPOSITION VP CANDIDATES

Quezon City VERITAS in English 18 Jul 85 p 13

[Text]

**W**ITH talks of snap presidential elections becoming more persistent, discussions now also focus on the probable vice presidential candidates of the opposition.

While there are known presidential hopefuls, only three have so far publicly eyed the No. 2 post: Homobono Adaza of the Mindanao Alliance, Abraham Sarmiento of the Liberal Party, and former Senator Rodolfo Ganzon, also LP. The field is actually bigger, if the unannounced vice presidential possibilities like MP Marcelo Fernan, former Senator John Osmeña, former Information Secretary Francisco "Kit" Tatad are considered.

Geographic representation has always been the lynchpin in the choice of running mates. Former Sen. Jovito Salonga, the LP national president and a potential standard bearer (PSB), told *Veritas*: "Geographic representation has always been a traditional practice in the choice of a vice presidential candidate."

He added, however, that these are not normal times and tradition may have to be overlooked.

In a snap presidential election, Salonga stressed that the personal choice of the standard bearer should also be taken into account.

MP Eva Estrada-Kalaw, another PSB, said: "If I were to be a candidate for president, I'd rather get a vice president from Visayas or Mindanao. That way, the representation would be more spread. I'd most likely pick an LP member for my running mate."

She picked former Sen. John "Sonny" Osmeña as one of the best contenders for vice president in the LP.

MP Homobono Adaza, the stormy petrel of the opposition at the Batasan, announced his availability for the No. 2 post during the UNIDO convention at the Araneta Center last June 12.

Adaza was detained

after the declaration of martial law. He organized the Mindanao Alliance in 1978 and became Misamis Oriental governor under its banner in 1978. He won by a landslide in the May 1984 elections for the Batasan. He is a leading strategist of the opposition although some criticize him for "grandstanding" and for "talking too much." Some say his personality is better suited for a Cabinet post rather than to the ceremonial No. 2 post.

MP Marcelo Fernan of Cebu City has never expressed any desire to seek the vice presidential nomination but his name crops up every so often. When asked if he is interested in the post, he said: "Well, in the words of Dole, one does not seek the vice presidency — it comes to you."

Fernan ran for the first time in 1971 and won as Concon delegate. He was a president of

the Integrated Bar of the Philippines and of the UP Student Council. Compared to Adaza, he is more conservative and less controversial.

If there is indeed a Cebuano vote and if the geographic representation is followed, then Adaza and Fernan loom as the top contenders. Another Cebuano, former Sen. Rene Espina, is also eyeing the No. 2 post but despite his closeness to Doy Laurel, his chances are not as bright as the two.

Espina was a bar topnotcher, governor of Cebu province and secretary of public works. Besides coming from another region, another consideration in the choice of vice presidential candidate is a bailliwick. It is here that Espina, becomes a question mark. In 1978, Espina ran for the Interim Batasang Pambansa under the KBL banner and fared miserably.

Former Sen. Rodolfo Ganzon of Iloilo City has also announced his availability for either the presidential or vice presidential nomination. His chances at getting the presidential nomination are virtually nil but he is being considered for the lower post. — ELD

CSO: 4200/1471

SINGAPORE

GOH CHOK TONG ANNOUNCES TAX-CUT BOOST FOR ECONOMY

BK021149 Singapore THE SUNDAY TIMES in English 1 Sep 85 p 1

["By Our Parliament Team"]

[Text] First Deputy Prime Minister Goh Chok Tong yesterday announced a \$400 million tax-cut boost for the economy, after calling for a consensus on the Government's two-pronged strategy to beat the recession and turn the economy around.

"If there is no consensus on the strategy, it will be difficult for the Government, employers and workers to pull together," said Mr Goh, whose package includes cheaper petrol from tomorrow.

If there is no agreement on tackling the problems, the economy can be pulled apart very quickly by being pulled in different directions.

"Let us make the strategy work," he told Parliament yesterday during the debate on the economy.

Companies must cut costs to regain competitiveness and be flexible in order to compete internationally, he said.

Everyone in the House, including opposition MP J.B. Jeyaretnam, clapped loudly and cheered when Mr Goh unveiled the package.

He said it would mean a loss of \$400 million in revenue and, along with other concessions announced on July 26, mean that the Government is injecting a total of \$850 million this year to stimulate the economy.

Mr Goh spoke at the end of a long and often lively debate, which saw several MP's rising to give their assessment of Singapore's economic problems as well as suggestions on what should be done.

News of these concessions was greeted warmly outside the House, by motorists, businessmen, property owners and bankers.

Major business associations were quick to assure the Government that they would cooperate in the strategy to improve the economy.

Yesterday's parliamentary sitting was extra long, ending after 8:10 pm--way past the usual 4:30 pm.

The day's business included the passage of a motion giving former President Devan Nair a \$5,000 monthly pension, provided he continues with medical treatment for his alcoholism problem.

The House also rejected a number of motions by Mr Jeyaretnam, including one to have MPs' allowances and ministerial salaries cut by 25 percent.

Elaborating on the Government's two-pronged plan, Mr Goh said the costs of doing business must be cut for Singapore to regain its competitiveness.

The economy must also be flexible enough to respond quickly to changes in the world market.

Because wages during the past three years had risen faster than productivity, we could either cut wages or step up productivity while restraining wage increases.

Mr Goh preferred the latter approach to maintain living standards.

"Reducing wages must be the action of the last resort. That is why we are against an across-the-board wage cut."

Nor should wages be frozen. Instead, there should be wage restraint over the next two or three years.

He said: "If we go for a wage freeze, we are in fact using a very rigid instrument to control wages. After the recession is over, and the ice is thawed, I think there will be a rebound and wages will shoot up again."

He made it plain that it is wrong to stop companies which are doing well from giving wage increases. Similarly, companies facing problems should not be forced to give pay raises.

"Wage restraint means prudent increases tied to performance and productivity."

Mr Goh said he will not recommend a cut in the Central Provident Fund rate as this is, in effect, a wage cut.

"We do not have to raid the workers' piggy bank to resolve our current downturn. There are other ways to cut costs."

He urged management to improve productivity and set the example for workers. Higher productivity means that management, not only the workers, is doing the right things.

"We must therefore, over the next few months, get local management to upgrade, modernize and improve management skills."

To be flexible, rules will be changed whenever they become outdated. "No strategy is right all the time. We must look at the market, study changes in circumstances and adapt to new situations."

There should be maximum use of the market mechanism, he added. "Whenever we can, we must ease up on rules and regulations which are no longer appropriate."

This will give Singaporeans leeway to make their business decisions.

For example, employers and unions can negotiate directly without too much reliance on the National Wages Council.

"It is better in the next few years for us to move away from a single wage guideline or even arrange wage recommendations," Mr Goh said.

CSO: 4200/1474

JPRS-SEA-85-140  
14 September 1985

SINGAPORE

#### BRIEFS

AGREEMENT WITH SRI LANKA--Singapore and Sri Lanka signed a new air services agreement on 29 August replacing the 1969 accord. Air Lanka and Singapore Airlines can now operate services between Singapore and Colombo through any intermediate point and to any point beyond. They can also operate any aircraft along agreed routes. Officials from the Singapore Civil Aviation Authority and Sri Lanka's Ministry of Defense reached the agreement after 2 days of talks. [Summary] [Singapore Domestic Service in English 1300 GMT 29 Aug 85 BK]

CSO: 4200/1474

THAILAND

JOCKEYING AMONG SENIOR COMMANDERS, AIDES DISCUSSED

Bangkok CHAT ATHIPATAI in Thai 5-11 Jul 85 pp 10-11

[Text] Ever since Gen Athit Kamlang-ek, the army commander-in-chief and supreme commander, stepped up to the pinnacle of the military by occupying both of its highest positions, he has always been referred negatively or criticized for the many ideas that he has expressed to the public and for his many political and military moves.

Because of General Athit's many miscalculated steps, such as the cases of requesting to extend his term or his political activities and expressing his opinion against Gen Prem Tinsulanon's devaluation of the baht, many people feel that his personal staff, including his political advisors, have planned poorly, so that the boss has almost been ruined many times.

"What people are saying may be partly right because those who are coming up to important positions do not have enough time to study or plan daily what they are going to do. The ones who draw up plans and let the boss decide on them are nobody else but the personal staff or confidential officers. And if the staffers are not competent or conflicts arise, those likewise might ruin the boss also," a colonel who has been a personal staffer to many high ranking officers opined.

Conflict among Senior Commanders

Gen Athit Kamlang-ek is a senior military officer, with plenty of personal staffers working for him, similar to other senior commanders. In addition to his classmates, such as Gen Thienchai Sirisamphan, army deputy commander, Gen Mana Rattanakoset, army assistant commander, and Lt Gen Chuthai Sengprathip, deputy chief of staff, there are two more officers of the same rank, Lt Gen Phichit Kullawanit, who is known as "Big Tiger," commander of Military Region 1, and Lieutenant General Chavalit, who is called "Big Chiew," army deputy chief of staff.

Among military groups, it is known that Lt Gen Chavalit Yongchaiyut, in addition to serving under General Athit's command, also works partly in the political area for him, because in the beginning, General Athit showed up to make mobs of farmers, workers and students disperse. Usually, Lieutenant

General Chavalit walked at his side in solving these problems and also served as coordinator between General Athit as a military man and Gen Prem Tinsulanon as a government man.

But since Lieutenant General Chavalit has certain limitations, including certain personal staffers of General Athit who perceive him as insincere with their boss, Lieutenant General Chavalit lately has been quite distant from General Athit.

As for Lt Gen Phichit Kullawanit, commander of Military Region 1, he is also an officer whom General Athit trusts and regularly calls on for service, especially in the military area. But when Lieutenant General Chavalit's political role started to decrease recently, Lieutenant General Phichit, in turn, also served in the political area. The decrease in Lieutenant General Chavalit's role has made many people perceive a split between him and Lieutenant General Phichit.

"They are not splitting, but Chavalit feels that some of Athit's personal staffers often attack him; on top of that, Chiew is also serving Granpa Prem, so this has made Chiew only somewhat distant from Athit," a major general on Lieutenant General Chavalit's or Big Chiew's side expressed concerning the distance between Lieutenant General Chavalit and General Athit.

But a source from General Athit's personal staff in turn honestly stated that a split between Lieutenant General Chavalit and Lieutenant General Phichit truly exists because Lieutenant General Phichit feels that Chavalit is not sincere with his boss, especially because he made the boss slip by coming out and attacking the Prem government's devaluation of the baht.

#### Low Level Moments

Low ranking officers of the ranks of colonel and major who accompany and work with General Athit prominently are Col Montri Thipwathee, Division 1 chief of staff, Col Konthee Suwanarat, artillery battalion commander, Col Phiraphong Sanphakphisut, known as "Staff Officer Hank," and Lt Col Winai Phatthiyakun, deputy commander of Military Circle 1; the rest are captains and majors, who are only his bodyguards.

One military source, a colonel, mentioned concerning discrimination among the personal staff of General Athit that, "I know that Montri is one of the officers whom General Athit trusts. Colonel Montri usually walks behind General Athit, carrying his money case and pays in General Athit's name on various occasions. The second officer who performs this duty in addition to Colonel Montri is Col Konthee Suwanarat."

As for the duty of Col Phiraphong Sanphakphisut, the same officer stated that "Staff Hank" is very close to General Athit. They have been close since they were together in the Third Division and CPM [Civil-Police-Military] Unit 1718 in Loei Province. They have been together since then. General Athit himself spent his own money for Hank to attend staff school."



Hank entrusted Toon [Winai] to Athit when Toon was in decline because Toon and Hank were from the same class. He has a fairly good character and he has formerly served many big shots. When they are with General Athit, they share the work. Toon has the responsibility of opening the mail, which includes various official letters or orders addressed to Mr Athit. He then presents this mail to the boss in the morning," one colonel who is a personal staffer of General Athit mentioned concerning Lt Col Winai Phatthiyakun.

#### Split Stemmed from "Rebellion"

The split among the junior officers of General Athit's personal staff was initiated by a conflict between Col Phiraphong Sanphakphisut and Lt Col Winai Phatthiyakun themselves. Even though they are officers from the same class and are fond of each other, conflicts arose because Lieutenant Colonel Winai is not happy with Colonel Phiraphong's constant "off side" political activities while the Chang Luang [Royal Elephant] Young Turks group was being formed.

Concerning activities on Loy Krathong night or the night of the 7 February 1984 crisis of the Chang Luang Young Turks with the senior commanding group of lieutenant generals, including a regional commander--Lieutenant Colonel Winai saw that that kind of action would have ruined the boss, so he did not agree. The matter seemed to become increasingly more violent when Gen Prem Tinsulanon's group proposed a total purge of the "Chang Luang Young Turks" by arresting and charging them with "rebellious" against the government.

To solve this problem, Col Phiraphong Sanphakphisut tried to coordinate with many senior officers to end all the arrests. He particularly tried to directly contact Gen Athit Kamlang-ek and Gen Chaman Ninviset, head of the Ministry of Defense, who would carry out the arrests because there was an intelligence leak that the opposition to the Chang Luang Young Turks would enlist the hand of General Chamnan himself to order the arrests. But the noon meeting between Colonel Phiraphong and General Chamnan on 4 January at the Vieng Tai Hotel was successful. Apparently, both were able to clear up the matter and come to a mutual understanding; General Chaman confirmed that that kind of incident surely would not occur.

"Winai was not happy with this news leak and in a weekly magazine his name was listed among the Chang Luang Young Turks rebels. He regularly tried to clear up with Mr Athit that he was not involved and that he did not belong to any Young Turk group. When Hank learned about this matter, he was mad and accused Toon of deserting his friends and of insincerity, so he stopped communicating with him," the same major knowledgeable about this matter expressed in stressing the conflict between these two persons.

#### Adding to the Breakup

The conflict between these two people appears to have spread out of control and there have been obvious divisions into groups. The conflict was more obvious at the luncheon to congratulate Gen Athit Kamlang-ek upon Gen Prem Tinsulanon's official approval of the extension of General Athit's term.

This luncheon was organized among personal staff at a restaurant at Sukhumvit Soi 22. Spearheading the luncheon were Col Montri Thipwathee, Col Konthee Suwanarat and Lt Col Winai Phatthiyakun. But the organizers of the party did not invite Col Phiraphong Sanphakphisut and Lt Gen Phichit Kullawanit, so these two did not join in the party.

"Hank was very angry. He said that the people secretly organized the party, that he is also a personal staffer, and that they should not discriminate against us like this," an officer of Colonel Phiraphong's group stated angrily.

This incident seems to be the cause that has made Colonel Phiraphong keep a low profile, even though he himself has said regularly that he is keeping a low profile because the boss has ordered him to keep quiet. But the truth is that the people close to Colonel Phiraphong or Staff Officer Hank have stated and largely confirmed that Colonel Phiraphong was discriminated against by his colleagues, the personal staff of General Athit. And many people believe that if General Athit has not paid any attention to this problem, the extension of his terms for the two positions may be meaningless.

It is normal that when the boss is powerful that more subordinates want to be closer to him. Even the personal staff compete to get close to the boss, so that conflicts arise, just like those between children of the same parents who argue. "It is normal; do not worry," a source who is close to Ban Kasem Kamol Villa added in conclusion.

12587

CSO: 4207/252

## WESTERN SAMOA

### BRIEFS

JAPANESE AID--A Japanese delegation of five has had two days of talks in Apia, Western Samoa, with Prime Minister Tofilau Eti Alesana and others on future relations between the two countries. Delegation leader Mr Takeo Hiranuma, a member of the Japanese Diet said after the talks that one of Samoa's requests was for a grant for a further extension of the airport runway of 250 metres, to add to the 2700 metres being constructed with Australian aid and nearly completed. Mr Hiranuma said Western Samoa simply needed to give Japan a list of aid requirements. [Text] [Sydney THE SOUTH SEA DIGEST in English 9 Aug 85 p 1]

CSO: 4200/1407

MILITARY AFFAIRS AND PUBLIC SECURITY

HANOI VIEWS SECURITY FORCES' ACHIEVEMENTS

BK211524 Hanoi Domestic Service in Vietnamese 2330 GMT 15 Aug 85

[Unattributed "article"]

[Excerpts] During the period of building and defending the socialist fatherland, developing their role as the forcible and effective tool of the party and state, the people's public security forces, together with our army and people, have smashed all schemes and activities that form part of the U.S. postwar plan and the Chinese reactionaries' multifaceted war of sabotage, thereby firmly maintaining national security and social order and safety.

The public security forces have also taken part in reeducating and transforming hundreds of thousands of puppet military and administrative personnel and U.S.-puppet intelligence agents and spies; smashing thousands of reactionary pockets and groups; and eliminating and successfully persuading thousands United Front for the Struggle of the Oppressed Race members. Particularly, they have eliminated and captured alive thousands of Chinese scouts and spies who had intruded into various northern border areas and promptly smashed the spy ring organized by China and Thailand in the south in the recent past.

In addition, the public security forces have launched dozens of campaigns to suppress violators of socialist property and track down criminals and have participated in educating and transforming those engaged in superstitious professions and rehabilitating hundreds of thousands of prostitutes, depraved youth and teenagers, and victims of other social vices, thus contributing significantly to the protection of the people's happiness.

The most prominent achievement of the public security forces in the past 40 years is that, together with the entire party and people, they have ensured absolute safety for all leaders and leading organs of our party and state. The mass movement for the defense of national security--which has developed step by step, especially in sensitive areas, from the Three-No's Movement to the Three-Preventions Movement and All-People Movement to keep secrets, maintain peace and order, and make villages and hamlets strong and organs and enterprises safe--has also contributed to ensuring security and order.

In the campaign to make the public security forces pure and strong and to study and strong and to study and carry out the six teachings of Uncle Ho, the people's

public security forces have been consolidated in terms of quality and streamlined in terms of organization. By reviewing their practical and diversified experiences along with improving their political and professional knowledge, the Vietnamese people's public security forces are establishing for themselves step by step a scientific system of operation.

With regard to their internationalist duties, the people's public security forces have fulfilled satisfactorily their obligations to Laos and Cambodia and have developed effectively their cooperation with the Soviet Union and other socialist countries in the field of security.

CSO: 4209/576

MILITARY AFFAIRS AND PUBLIC SECURITY

LEADERS ADDRESS 1985 MILITARY GRADUATES

BK211424 Hanoi Domestic Service in Vietnamese 2330 GMT 18 Aug 85

[Report on 18 August get-together of party and state leaders with 1985 graduates in Hanoi--portions recorded]

[Text] On 18 August 1985 at the Presidential Palace, the party and state leaders cordially met with the 1985 graduates of the various military institutes, colleges and academies.

Attending this get-together were Pham Van Dong, member of the party Central Committee Political Bureau and chairman of the Council of Ministers; Vo Chi Cong and Do Muoi, members of the party Central Committee and vice chairmen of the Council of Ministers; Nguyen Duc Tam, member of the Political Bureau and head of the Central Committee Organization Department; Sr Gen Van Tien Dung, member of the party Central Committee Political Bureau and defense minister; Sr Gen Hoan Van Thai, member of the party Central Committee and vice defense minister; Nguyen Dinh Tu, party Central Committee member and minister of higher and vocational education; and many other representatives of the party and state organs. The leaders of the Defense Ministry's general departments; the commanders and deputy commanders of various armed branches, services, army corps, and military regions; and the headmasters and outstanding teachers of all institutes, colleges, and academies also attended this cordial get-together.

This manifests the party's and state's concern for the armed forces, which is aimed at educating, mobilizing, and enhancing the sense of responsibility for national construction and defense; upholding the honor of officers of all ranks who graduate every year; and, at the same time, educating and mobilizing the responsibility of all party members, the people, and armed forces' members for consolidating national defense, building the army, and defending the homeland.

Speaking at the get-together, after mentioning the vigorous growth of the army and the results achieved in training army cadres, especially since the issuance of the Political Bureau resolution on education reform, Sr Gen Van Tien Dung specified:

[Begin recording] With great effort over the past 40 years, we have trained hundreds of thousands of officers, including those who have become heroes and

generals assuming duties in the various ministries, military region headquarters, army corps, armed branches and services, provinces, and cities. This year, all the institutes and officer schools in the army conducted national graduation examinations for the first time. Some 99.5 percent of students taking the examination have graduated. [Applause]

Nearly 50 percent of them have scored good and excellent. Many comrades have been rated outstanding. [Applause] The graduates at this get-together come mainly from the last graduation examinations held in various schools and institutes. [Applause]

Dear comrades: These achievements are primarily due to the constant concern of the party and state for developing the armed forces and the contingent of party cadres in the armed forces. During his lifetime, President Ho Chi Minh paid special attention to this task. On this important occasion, I represent the cadres and combatants of the entire army in expressing our profound gratitude to the party Central Committee, the Council of State, and the Council of Ministers. We sincerely thank all the ministries, sectors, mass organizations, schools, and the people throughout the country for having wholeheartedly helped the Defense Ministry fulfill well its task of training army cadres. [Applause]

I also sincerely thank the armies of fraternal countries, especially the Soviet Army, for positively assisting the VPA in this important task. I warmly comment the leaders of army institutes and schools; the teachers, cadres, combatants, and personnel of all military schools; all agencies performing the schooling task; all echelons; and all other agencies that have striven continuously for several decades to score these achievements. [Applause]

On this occasion, I would like to urge the newly graduated officers to comply scrupulously with the assignments, positively forge their qualities and ethics, creatively apply the knowledge acquired in schools, continually learn to heighten their standard of knowledge, overcome all difficulties, fulfill all work and combat duties well, and remain constantly worthy of the confidence of the party, state, people, and army. [Applause] [end recording]

The large reception room in the Presidential Palace came alive when Chairman of the Council of Ministers Pham Van Dong cordially talked to the army cadres. He said:

[Begin recording] Today, I am honored and moved to represent the highest leading agencies of our party and state to convey the greetings and commendations of the party Central Committee, the Council of State, and the Council of Ministers to those comrades present here and all other graduates of the institutes and officer schools throughout the country and all cadres, combatants, and members of our armed forces. [Applause]

Gen Van Tien Dung just said that you, comrades, typically represent the cadres of our People's Armed Forces. This is an honor, a duty, and an extremely important and difficult responsibility. Our army is heroic, as is our Vietnamese nation. Our party is great. You, comrades, typically represent our army and

the traditions of our nation's courageous struggle under our party leadership. Consequently, this typical honor is an extremely great demand. I, for one, would say a typical representative must be a model who sets an example for troops, armed forces' members, and all Vietnamese people. If you agree with me in accepting such a concept, you will be called upon to make marvelous efforts.

We must have an army worthy of the extremely glorious history of our Vietnamese nation, an army that has thus far bravely fought foreign aggressors to defend the homeland, the nation, and the most valuable asset as Uncle Ho said: Nothing is more precious than independence and freedom. [Applause] [end recording]

Chairman of the Council of Ministers Pham Van Dong urged everyone to grasp firmly the party's military line. Building the People's Armed Forces and a strong all-people national defense is the responsibility of all our party, people, and troops, who must be ready to defeat any aggressor and firmly defend the socialist Vietnamese fatherland. Particularly, our People's Armed Forces must always remember and by all means implement respected and beloved Uncle Ho's teaching that our army is faithful to the country and loyal to the people and can fulfill all tasks, overcome all difficulties, and defeat all enemies.

Deeply moved by the concern and care of the party and state and well aware of the honor and responsibility of a VPA officer, Sr Col Luong The Cuc, student in the fifth training course of the Higher Military Training Institute, on behalf of all the 1985 graduates from all the military institutes, colleges, and academies, made the following pledge to the party and state leaders.

[Begin recording] On behalf of more than 10,000 graduates from the military institutes, colleges and academies this year, and on behalf of all the students present here as well, we would like to express our boundless gratitude to the party, state, and people. We resolve to implement scrupulously the instructions of the party, state, and army leaders. We pledge to be absolutely loyal to the socialist Vietnamese fatherland and faithful to the party goals and ideals and to the people, constantly develop the revolutionary nature of the army, disregard dangers and hardships, and be ready to accept and fulfill outstanding all duties assigned by the party and army. We will strive to study and thoroughly understand the political and military lines of the party in the new revolutionary stage; firmly grasp the practical and realistic viewpoints; uphold creativity; and effectively apply the knowledge acquired in school to combat realities and preparedness, combat, training, and unit development. We will regularly forge training to enhance the revolutionary qualities and ethics, constantly learn to improve our knowledge, lead a wholesome and healthy life, attentively maintain solidarity and unity, adopt a revolutionary and scientific working method, contribute to building comprehensively strong units, maintain high combat strength and combat preparedness, and fight victoriously. At the same time, we will satisfactorily perform productive labor duty, build the economy, fulfill internationalist obligations, and remain worthy of the confidence of the party, state, people, and army. [end recording]



MILITARY AFFAIRS AND PUBLIC SECURITY

TRAIN POLICE ARREST CRIMINALS, SEIZE WEAPONS

BK201406 Hanoi Domestic Service in Vietnamese 1430 GMT 16 Aug 85

[Text] The Second Train Protection Police Battalion is a newly founded unit but has recorded many achievements in the struggle against criminal elements, speculators, and smugglers, thereby contributing to protecting the safety of freight and passenger trains servicing the Hanoi-Thuan Ly route.

In the first 6 months of this year, the battalion dispatched policemen on 6,500 occasions to protect more than 1,540 freight and passenger trains and coordinated with public security forces in various localities to round up criminal elements, recovering many types of weapons and more than 3.5 million dong for the state. Owing to their close contact with their localities, their effective organizational work, and their satisfactory coordination with the local authorities, the mobile police unit of the battalion and the Train Protection Police Unit of Hanoi recently foiled two train robberies, returning the stolen property to their owners. They also arrested all members of a gang of hoodlums and busted a hideout of hooligans.

Acting upon Uncle Ho's 6 teachings, in the first 6 months of 1985, 50 cadres and combatants of the battalion have won awards and commendations for their outstanding achievements while 17 other cadres and combatants have received letters of appreciation from the people. In addition, 52 members of the battalion were groomed for party leadership.

CSO: 4209/596

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

HO CHI MINH CITY MARKET--The market management forces in Ho Chi Minh City has continued to suppress hoarders of various essential commodities. Some 289 unregistered food and beverage shops in the Fifth Precinct have been ordered to stop business while dozens of families manufacturing counterfeit soybean sauce, bicycle frames, and cigarettes in Binh Thanh and Phu Nhuan Precincts have been uncovered. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 13 Aug 85 BK]

HO CHI MINH CITY RECRUITMENT--As of 9 August, Ho Chi Minh City had fulfilled the target set for the delivery of recruits for induction in 1985. More than 2,000 youths have been admitted to the city youth union prior to their departure for induction into the Army. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 14 Aug 85 BK]

HO CHI MINH CITY ANTICRIME DRIVES--The Public Security Forces in several precincts and districts of Ho Chi Minh City have actively operated in coordination [in] various sectors to discover 673 cases of speculation, smuggling, and production of fake goods, recovering 64 million dong worth of property for the state. In addition, the city's public security forces have repeatedly launched crime suppression drives breaking up scores of gangs, groups, and nests of criminals, thereby contributing to reducing the number of serious crimes by 50 percent compared to the corresponding period last year. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 18 Aug 85 BK]

CPV DIRECTIVE ON TRAINING CADRES--The CPV Central Committee recently issued a directive on accelerating the task of training, fostering, and using cadres coming from workers. The party Central Committee urged various echelons of party committees, leading cadres, state organizations, and mass organizations to accelerate satisfactorily the party development task among the workers, strengthen the revolutionary action movement of the working class, consolidate the training and fostering of cadres coming from workers, and develop regulations and policies regarding workers who have been appointed for further studies. [From the review of NHAN DAN for 22 August] [Text] [Hanoi Domestic Service in Vietnamese 2205 GMT 21 Aug 85 BK]

CSO: 4209/596

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

LAOS VISIT CONCLUDED--At the invitation of the Lao Ministry of Agriculture, Irrigation, and Cooperative, a delegation of experts from our Ministry of Agriculture led by Prof Dr Vu Tuyen Hoang, alternate member of the party Central Committee and director of the Vietnam Grain and Food Products Institute, has visited Laos since 25 July. The visit has successfully concluded. During its stay, the delegation met and worked with a delegation of Lao agricultural technical cadres. Both sides discussed a program of grain production development and a plan for cooperation in agricultural science and technology between the two countries for the coming years. The Vietnamese delegation toured a number of agricultural establishments and studied the grain production development programs of Vientiane City; Champassak, Savannakhet; and Luang Prabang Provinces. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 19 Aug 85 BK]

ALBANIAN HAILS WITHDRAWAL PLAN--According to reports from Tirana, on 19 August, Comrade Agolli, director of the Albanian Ministry of Foreign Affairs' First Directorate, received Comrade SRV Charge d-Affaires (Huynh Cam Anh), who informed his Albanian host of the results of the 11th Indochinese foreign minister's conference. Comrade Agolli said: Albania welcomes the annual Vietnamese troop withdrawal and the conference's confirmation that all Vietnamese Army volunteers will be withdrawn by 1990. This is a positive decision of great importance that enhances the prestige of Vietnam and Cambodia and clearly indicates that the situation in Cambodia has become more stable with each passing day and that this country is fully capable of defending itself. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 24 Aug 85 BK]

CSO: 4209/596

PARTY ACTIVITIES AND GOVERNMENT

PHAM HUNG ATTENDS AWARD PRESENTATION CEREMONY

BK211550 Hanoi Domestic Service in Vietnamese 2300 GMT 19 Aug 85

[Text] On the occasion of the 40th founding anniversary of the Vietnamese People's Public Security Forces [VPPSF], the Ministry of Interior held a solemn ceremony in Hanoi on the afternoon of 19 August to receive its second Gold Star Order and to present the Ho Chi Minh Order, Military Service Order, and Military Exploit Order to various VPPSF units.

Comrades Pham Hung, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of interior; Tran Guyet and Tran Dong, members of the party Central Committee and vice interior ministers, attended.

On this occasion, the party and state bestowed 43 Ho Chi Minh Orders, 49 Military Service Orders First Class, 10 Military Service Orders Second Class, 114 Military Service Orders Third Class, 242 Military Exploit Orders First Class, 104 Military Exploit Orders Second Class, and 44 Military Exploit Orders Third Class upon 606 units of various general departments, institutes, and schools. Among the recipients of the honors were the CONG AN NHAN DAN [People's Public Security Forces] newspaper and public security units of various provinces and cities credited with outstanding achievements over the past 40 years.

On behalf of the party and state, Comrade Pham Hung pinned a symbolic Ho Chi Minh Order on the traditional banners of the General People's Security Department [Toongr Cucj An Ninh Nhaan Daan], the General People's Police Department, the Security Department [Cucj Baor Veej], and the 375th Police Group in charge of protection of President Ho Chi minh's mausoleum.

CSO: 4209/596

PARTY ACTIVITIES AND GOVERNMENT

HANOI CARRIES TAP CHI CONG SAN AUGUST EDITORIAL

BK211635 Hanoi Domestic Service in Vietnamese 2300 GMT 17 Aug 85

[August TAP CHI CONG SAN editorial: "Firmly Defend the Revolutionary Gains, Build Our Country Into a Powerful and Prosperous Fatherland"]

[Text] Forty years ago, under the clear-sighted, timely, and determined leadership of the party headed by the great President Ho Chi Minh, our people rose up and overthrew the Japanese imperialist-lackey puppet government and set up the people's administration in the country.

The success of the August 1945 Revolution wrote a very glorious page in our nation's age-old history. Within only a week, from 19 to 23 August 1945, our people from the north to the south succeeded in smashing the reactionary administrative apparatus of imperialism and feudalism and founded the first worker-peasant state in Southeast Asia.

With the success of the August Revolution, the lives of our Vietnamese people began to change. From being enslaved by the imperialists, our people became the masters of their own country.

Responding to President Ho's appeal: "We would rather sacrifice all than resign ourselves to losing our country and being enslaved," all Vietnamese people devoted their spirit and force as well as their lives and property to firmly defending the freedom and independence gained.

The August Revolution opened a new era in our people's history, an era in which national liberation is closely linked to the liberation of the working class and laboring people, and national independence is closely linked to socialism.

The victory of the August Revolution is a victory of our party's national salvation policy, which coordinates national independence and socialism, a victory of the valiant fighting spirit of our people, a victory of the patriotic tradition of the heroic Vietnamese people.

Countless heroes sacrificed their blood and bones during nearly a century of struggle against colonialism before this victory was gained. This victory is also a victory of international solidarity, of the world's people's support and coordinated struggle, primarily of the Soviet Army and people who fought valiantly and made enormous sacrifices to defeat German and Japanese fascism and create favorable conditions for our people's uprising to liberate themselves.

Not only can the working class and laboring people of Vietnam feel proud, but the working class and oppressed peoples in other areas can also feel proud of the fact that for the first time in the history of revolution in various colonized and semi-colonized nations, a party--only 15 years old--was able to lead a successful revolution and seize power. That is the great victory of the Vietnamese people and also the first victory of Marxism-Leninism in a colonized nation.

Over the past 40 years, under the leadership of the party founded and forged by President Ho Chi Minh, our people, united and of one mind, have fought valiantly to firmly protect the gains of the August Revolution. After 9 years of waging an arduous war of resistance, we defeated French colonialism. After 21 years of staunch fighting, we defeated U.S. imperialism, the wealthiest and most powerful international gendarme in the imperialist camp.

Over the past 10 years and more, we have repeatedly foiled the Chinese expansionist-hegemonist clique's schemes and actions against our country and firmly defended our socialist fatherland.

At present, our people are fighting against the enemy's landgrabbing war and multifaceted war of sabotage, in defense of our fatherland's border and our revolutionary gains. Fighting against foreign aggression while carrying out nation-building work, our people of all walks of life are devoting their energies and wisdom to developing our national economy and culture to make our fatherland increasingly prosperous.

Forty years is just a short span in our people's millenia-long history. However, during this period, thanks to our party's correct leadership, our people's endeavors have completely changed the face of our country: Formerly, Vietnam was a colonized country whose name was erased from the world map. Today, Vietnam is an independent nation which is standing shoulder-to-shoulder with other sovereign countries in the world. Formerly, Vietnam was a divided country; today Vietnam is a unified nation stretching from the lowlands [as heard] to the point of Ca Mau. The Vietnamese country is one and the Vietnamese people are one, and these truths have been made tangible.

Thousands of years ago, our country was ruled by kings. Today our country is ruled by the people. Formerly, peasants were exploited and oppressed by landlords while workers were exploited and oppressed by bourgeoisie. Today, all exploiting classes basically have been eradicated. All Vietnamese citizens are equal and are engaging in productive labor to earn their living and to build the nation. Formerly, the people of various nationalities in the country were not treated equally. Differences and racial discrimination weakened the nation's strength. Today, the people of various nationalities in the country are equal and are united in their efforts to build and defend the fatherland. Formerly, all essential means of production such as land, factories, and mines were the private assets of a few individuals. Today, the system of private ownership over the essential means of production has been abolished and replaced by the system of public ownership. The laboring people have become the owners of their essential means of production. Through the system of public ownership over the means of production, the laboring people's collective mastery has been established.

Over the past 40 years, our Vietnamese people have experienced two changes in their lives: From being the people without their own country, they have become the citizens of an independent nation; and from being hired people, they have become the masters of their own destiny.

At present, although our material living standard is not high enough, we have had a fine way of life and living conditions that harmoniously combine the people with nature and the motherland.

Our country is now standing in the ranks of the world's most advanced and finest socialist countries. Despite the fact that the enemy of the working class is trying to speak ill of us to tarnish our name, in the hearts of the people of the world, Vietnam continues to be the symbol of revolutionary heroism and humanitarianism and to be loved and trusted by everyone.

A classless Socialist Vietnam, where man's exploitation of man is nonexistent and where a system of man being man's friend is being built. This is something that has never existed in the age-old history of our Vietnamese people.

Our Vietnamese people have long hoped to achieve independence and freedom for the country and happiness for the people. Everyone among our Vietnamese people wants to see his fatherland powerful and prosperous. Only when the fatherland is powerful and prosperous can it firmly maintain national sovereignty and ensure a bountiful life for the people.

Formerly, the lofty cause of the Vietnamese people was to fight off the aggressors and regain independence for their fatherland. Now that the country has achieved independence and unification, our lofty cause is to build a powerful and prosperous fatherland and firmly defend the socialist fatherland.

Only by carrying out socialist industrialization can the fatherland become powerful and prosperous. This is because only through socialist industrialization can our country have modern industry and agriculture and advanced science and technology with which our country will become prosperous and powerful.

Led by the party, our people are building a socialist collective mastery system. With their self-consciousness and self-motivation, they are carrying out simultaneously the three revolutions--the revolution in production relations, the scientific-technical revolution, and the ideological and cultural revolution with the scientific-technical revolution at the core--and they have firmly grasped the central task of the transitional period, that is, socialist industrialization.

Overcoming the scourge of war and repeated serious natural calamities, our people have achieved many great things: socialist production relations have been established and consolidated; the material-technical bases of socialism have been increased; and many major projects have been under construction with a number of them already in production. Agricultural production, especially grain production, has increased satisfactorily. Industry has been restored and is being developed. Great achievements have been scored in culture and education.

Today, our fatherland's stature and strength are greater and stronger than any past period. The achievements scored by our people in national construction over the years would have been greater if we had not committed mistakes in economic management. The centralized, bureaucratic, and subsidy-based system of management--an impediment to the development of the dynamism and creativity of localities and establishments--have become an obstacle to economic development.

By scrupulously implementing the resolution of the party Central Committee's eighth plenum on the need to discard the system of centralism, bureaucracy, and subsidization and switch completely to socialist economic accounting and business transactions we will be able to step up socialist economic construction in our country.

Our socialist production system is a system that advocates planned production of commodities and using trade as a means and services as its goal. We serve through business transaction, not through state subsidies or direct distribution of goods. If the capitalist business transaction system of the bourgeoisie takes the realization of value as its goal and runs after profit at all costs, our socialist business transaction system takes the realization of use value as the basis so as to serve the people and satisfy their needs. At the same time, we use value as one of the means to measure, promote, and enhance efficiency in business transactions and the quality of service.

Our party and state are applying effective policies and measures to promote at all costs the spirit of collective mastery of all sectors and echelons and of the entire people and exploit our country's strengths and great potentials in land, labor, and existing material and technical bases in order to turn ours into a prosperous and powerful country, to ensure our people's well-being, to firmly defend our fatherland, and to successfully build socialism.

On the occasion of the 40th anniversary of the success of the August Revolution, let our entire party, armed forces, and people strengthen their unity and make every effort to firmly defend the gains of the revolution and build ours into a powerful and prosperous homeland.

CSO: 4209/596



PARTY ACTIVITIES AND GOVERNMENT

LEADERS ADDRESS SECURITY FORCE COMMEMORATION

OW221223 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Aug 85

[Report on 19 August Hanoi meeting marking 40th founding anniversary of Vietnamese People's Public Security Force--with portions recorded]

[Text] Friends: Forty years ago today, on 19 August 1945, amid our people's seething revolutionary movement to rise in a nationwide general uprising to win back their right to be masters, the Vietnamese People's Public Security Force came into being.

Throughout the past 40 years, inheriting the fighting traditions of the armed force, and the revolutionary reconnoitering force, its predecessor, the Vietnamese People's Public Security Force, under the party's leadership, has scored extremely glorious armed exploits and achievements.

Today, in a jubilant atmosphere in which our army and people countrywide are enthusiastically celebrating the August Revolution victory, a grand meeting was held this morning at Hanoi's Ba Dinh conference hall to mark the 40th founding of the Vietnamese People Public Security Force.

Attending the meeting were Comrade Le Duan, general secretary of the CPV Central Committee; Comrade Pham Van Dong, member of the Political Bureau and chairman of the Council of Ministers; many other comrade party and state leaders; comrade representatives of the National Defense Ministry, of sectors and mass organizations at the central level and in Hanoi; comrade heroes of the people's armed forces; labor heroes; comrades who performed meritorious services in building the People's Public Security Force who are either retirees or now work in other sectors; and large numbers of cadres and combatants of the People's Public Security force.

Also present at the meeting were delegations from the Interior Ministry of the Republic of Cuba, led by Comrade Revolutionary Commander Ramiro Valdes Menedez, Political Bureau member of the Communist Party of Cuba Central Committee, vice chairman of the State Council and the Council of Ministers, and minister of the interior; from the Soviet State Security Committee, led by Comrade Col Gen Pirozhkov, vice chairman of the said committee; from the Soviet Internal Affairs Ministry, led by Comrade Lieutenant General Demidov, USSR internal affairs deputy minister; from the Interior Ministry of the Lao People's

Democratic Republic, led by Comrade Sr Gen Sisavat Keobouphan, member of the Secretariat of the Lao People's Revolutionary Party Central Committee and Minister of the interior; and from the Interior Ministry of the People's Republic of Kampuchea, led by Comrade Khang Sarin, member of the Secretariat of the Kampuchean People's Revolutionary Party Central Committee and minister of the interior.

The Ba Dinh Conference Hall was resplendent this morning with red flags and fresh flowers. Prominently displayed at the center of the ceremonial platform were the national flag and the statue of President Ho Chi Minh, the endearing leader who remains very close to the Vietnamese people and their armed forces.

The meeting began at 0900 [0200 GMT] sharp. [Applause]

Among the meeting Presidium members were Comrades Le Duan, general secretary of the CPV Central Committee; Pham Van Dong, member of the Political Bureau and chairman of the Council of Ministers; Vo Chi Cong, member of the Political Bureau and secretary of the CPV Central Committee; Nguyen Huu Tho, chairman of the National Assembly and vice chairman of the Council of State; Pham Hung, member of the Political Bureau, vice chairman of the Council of Ministers and concurrently minister of the interior; Van Tien Dung, member of the Political Bureau and minister of national defense; Nguyen Duc Tam, member of the Political Bureau and secretary of the CPV Central Committee; Nguyen Co Thach, alternate member of the Political Bureau and minister of foreign affairs; and many other comrades, including the comrade heads of the friendly countries' delegations of Cuba, the Soviet Union, Laos, and Cambodia. [Applause, national anthem played, more applause]

Children in the Capital respectfully presented the comrade Presidium members with richly-colored fresh bouquets.

Amid the jubilant atmosphere of the ceremony, Comrade Vo Chi Cong read the opening speech. He said:

[Begin Vo Chi Cong recording] Respected Comrade General Secretary Le Duan, respected Chairman of the Council of Ministers Pham Van Dong, respected Comrade Pham Hung, presidium members, foreign guests, comrades: Today, in the exhilarating atmosphere in which our people throughout the land are celebrating the August Revolution and with encouragement and pride over the new achievements scored in socialist construction and in the defense of our socialist fatherland, our party, state, and people are organizing a solemn ceremony marking the 40th founding anniversary of the Vietnamese People's Public Security force.

On behalf of the CPV Central Committee, the Council of State, and the Council of Ministers, I cordially convey my best greetings to all cadres and combatants of the Vietnamese People's Public Security Force, the combatants who are loyal to the fatherland, the party, and the people, who daily defend national security firmly and maintain public order and security across the country. [Applause]

As we enter a new stage of revolution, the requirements and tasks for maintenance of public security and order are extremely weighty and urgent. Let the People's Public Security Force develop highly its fine traditions and the glorious armed exploits it has scored over the past 40 years; strive to the best of its ability to score greater victories in firmly defending national security and to do a good job in maintaining public order and security under any circumstances; and contribute efficiently, along with the entire party, people, and army, to successfully implementing the two strategic tasks of successfully building socialism and firmly defending the Vietnamese socialist fatherland.

With that firm conviction, I hereby declare the 40th founding anniversary of the Vietnamese People's Public Security Force open. [Applause] [end recording]

Following Comrade Vo Chi Cong's opening speech, Comrade Pham Hung made a speech in which he reviewed the glorious tradition of the Vietnamese People's Public Security Force, the tradition of a revolutionary armed force which, over the past 40 years, has remained constantly loyal to the party, has unconditionally served the interests of the working class and laboring people, and has made very worthy contributions to the great revolutionary undertaking of our party and people.

The speech points out: Under the glorious CPV's leadership and with the concern, training, and guidance of the venerated and beloved President Ho Chi Minh, the Public Security Force, whose formation began even during the period of clandestine activities, has been forged over the course of the revolutionary struggle of our people, has matured step-by-step, and has registered glorious armed exploits.

In the war for national liberation and the war for national defense, the Vietnamese People's Public Security Force has, along with our entire army and people, fought and defeated the professional intelligence and espionage forces of the Japanese fascists, the French colonialists, the U.S. imperialists, and the Chinese expansionist-hegemonists; has firmly defended national security; and has fulfilled its internationalist obligations.

With its maturity and strength, the Vietnamese People's Public Security Force has now become an important armed force of the party and state, a key assault force on the front for national defense and maintenance of social order and security, a force that is ready to make sacrifices for the cause of national independence, freedom, and socialism; that defends our people's revolutionary gains; and that contributes to implementing the two strategic tasks of socialist construction and defense of the socialist Vietnamese fatherland.

After analyzing the causes of the successes, which are at the same time the key lessons of experience drawn from the realities in the struggle, over the past 40 years of the Vietnamese People's Public Security Force, and after analyzing the current world situation, Comrade Phan Hung's speech points out:

[Begin Pham Hung recording] The struggle between us and the enemy, and the struggle between the socialist and capitalist paths are intertwined. Fighting

and defeating the enemy's multifaceted war of sabotage is a requirement of paramount importance which is closely related to the two strategic tasks. Thus, economic construction must be closely linked to the economic protection; the struggle against the enemy's economic sabotage must be closely linked to the struggle against encroachments on socialist property; building a new culture and shaping a new socialist man must be closely linked to the struggle against the enemy's ideological and cultural fronts. Intensive efforts must be made in internal organization building. Party and administrative organizations and mass organizations must be clean, strong, and stable in order to defend internal organizations firmly, to take positive precautionary measures, and to take the initiative in attacking the enemy.

With socialist construction made the primary task, our entire party, people, and army must not relax their vigilance, not even for a minute; they must always strive to do their best to meet the requirements for national defense; and they must constantly seek to consolidate national defense and maintain national security and social order.

In view of our country's current situation, military duties and security are very important tasks in firmly defending the socialist Vietnamese fatherland. On the task of protecting national security and maintaining social order and security, our party has pointed out: Resolutely repress the counterrevolutionaries, opportunely smash all types of reactionaries' attempts to raise their heads, prevent and punish the enemy's sabotage acts in all domains, strengthen laws and discipline, and maintain social order and the people's security.

Thoroughly understanding the new situation and tasks and thoroughly grasping the party's line and, most recently, the eighth resolution of the CPV Central Committee on thorough elimination of the bureaucratic subsidy-based system of management and definite switching to socialist economic accounting and business transactions, let all cadres and combatants of the People's Public Security Force continue to develop the fine nature and tradition of the force. Let them continue to step up the movement to study, and scrupulously implement, the six teachings of the venerate and beloved Uncle Ho; enhance their revolutionary ethics; sharpen their vigilance; raise their sense of responsibility, their fighting will, and their combat ability; constantly build the People's Public Security Force into an increasingly clean, strong, and stable one; fulfill their tasks as a key assault force in the struggle to defend national security and maintain social order; and make efficient contributions, along with our entire people, to successfully building socialism and firmly defending our beloved socialist Vietnamese fatherland.

Dear comrades: Over the past 40 years of fighting while growing and maturing, the People's Public Security Force has, along with our entire people and army, fought and defeated all enemy aggressors; foiled all strategic, intelligence, and espionage schemes of the enemy; and firmly defended our fatherland's security.

As Comrade Truong Chinh assessed, in his statement, on behalf of the CPV Central Committee, the National Assembly, and the government, on the occasion of the 35th founding anniversary of the People's Public Security Force, the

Vietnamese People's Public Security Force, inheriting and developing the fine traditions of our people and the thoroughly revolutionary nature of the working class, has always remained absolutely loyal to the fatherland, the party, and the revolutionary administration; has wholeheartedly served the people' has not shunned sacrifices and hardships; has achieved close unity; has worked devotedly; has fought valiantly and resourcefully; has set many brilliant examples of revolutionary heroism; and has accomplished all tasks with distinction. It has made worthy contributions, along with our entire people and army, to fighting and defeating the French colonialists, the U.S. imperialists, and the Chinese reactionaries and their lackeys, and to firmly defending the independence, sovereignty, and territorial integrity of the fatherland, and the socialist construction of our entire people.

Under the invincible banner of the glorious CPV, headed by the venerated and beloved Comrade General Secretary Le Duan, the Vietnamese People's Public Security Forces, developing its tradition in 40 years of fighting and maturing, pledges to overcome all difficulties and ordeals to fulfill with distinction all tasks under any circumstances. [Applause] [end recording]

The meeting became very lively when Comrade Nguyen Huu Tho, on behalf of the Council of State, read a decision of the Council of State conferring the Gold Star Order, for the second time, on the Vietnamese People's Public Security Force.

Amid the applause and strains of martial music, Comrade chairman of the Council of Ministers Pham Van Dong pinned the Gold Star Order, a noble award, on the traditional flag of the Vietnamese People's Public Security Force. [martial music]

Then, Comrade Pham Van Dong addressed the participants in the meeting. He said:

[Begin Phan Van Dong Recording] Comrades, Comrade Pham Hung has spoken fully, and emphatically, about what you comrades, should do. I do not think that I should add anything else.

Today is a glorious day for the Public Security Force. [Applause]

This is a great honor for you, and also your great, difficult responsibility. I hope you, comrades, will strive to deserve the honor. [Applause] You must fulfill, better fulfill, your strenuous and complex responsibility. Your profession is one of doing much, but saying little; of giving more importance to deeds than to words. That is all I have to say to you today.

I hope you, comrades, will make persistent efforts and score glorious successes. [Applause] [end recording]

Friends, the grand meeting marking the 40th founding anniversary of the Vietnamese People's Public Security Force, held this morning at Hanoi's Ba Dinh Conference Hall, ended successfully amid the stirring strains of the musical piece, "As if Uncle Ho Were Present on the Joyful Day of Great Victory."

As Comrade Vo Chi Cong pointed out in his closing speech, commemorating the founding anniversary of their force, let all cadres and combatants of the People's Public Security Force develop the force's glorious tradition over the past 40 years, strive hard in their study of, be strongly imbued with, and scrupulously implement, the six teachings by the venerated and beloved Uncle Ho to the People's Public Security Force, so that it will increasingly mature, advance toward standardization and modernization, and show itself worthy of the trust of the party, the state, and the people. [martial music]

CSO: 4209/596

PARTY ACTIVITIES AND GOVERNMENT

ARMY PAPER MARKS SECURITY FORCE ANNIVERSARY

BK221453 Hanoi Domestic Service in Vietnamese 1400 GMT 19 Aug 85

["Recent" QUAN DOI NHAN DAN editorial on the 40th anniversary of the Vietnamese People's Public Security Forces]

[Text] Coming into being from the storm of the August uprising, our People's Public Security Forces have so far gone through 40 years of very glorious struggle and growth.

Just after they were founded, faced with a very dangerous national situation caused by internal rivalry and an external enemy, the People's Public Security Forces joined with other people's armed forces in suppressing reactionaries, spies, and quislings in a staunch, resourceful, determined, and timely manner to protect the party and the infantile revolutionary administration, thus foiling all the enemy's perfidious schemes and tricks.

During the resistance against the French colonialist aggression, the People's Public Security Forces joined hands with the People's Army, self-defense militia forces, and the compatriots nationwide in fighting the aggressors and their lackey clique. They succeeded in punishing or capturing hundreds of commando-type espionage groups, averting and stamping out many riotous incidents, defending firmly our leadership organs and rear bases, and contributing to the total liberation and the advance of the north toward socialism.

Later, the People's Public Security Forces, together with the entire armed forces and people, embarked on the great anti-U.S. struggle for national salvation. In the light of the resolutions of the Third National Party Congress and of other party Central Committee plenums, the People's Public Security Forces in the north carried out successfully the tasks of suppressing in-country espionage and reactionary groups, spreading propaganda among the masses, adopting various professional methods to annihilate and capture the hundreds of commando-type U.S. and puppet espionage groups, defending satisfactorily various economic and national defense establishments, maintaining public security and order even at the fiercest lines of fire, and contributing to defeating the U.S. imperialists' air and naval war of destruction. In the south, the People's Public Security Forces joined hands with our compatriots and combatants in carrying out constant offensive and uprising activities, foiling many of the enemy's neocolonialist war strategies, protecting the party and the revolutionary movement, safeguarding the liberated zones against the enemy's pacification,

open-arms policy, and psychological warfare schemes and against fifth columnism; annihilating tyrants; contributing to smashing the enemy's oppressive machinery; and scoring the great spring 1975 victory.

In the new revolutionary stage, while carrying out the two strategic missions of building socialism and defending the fatherland, our People's Public Security Forces have upheld their core role as a strike force on the front of maintaining political security and social order, thus contributing to foiling the new enemy's multifaceted war of sabotage and defending firmly the socialist Vietnamese fatherland.

Today in the new revolutionary stage, the resolution of the fifth party congress points out that maintaining political security and social order and safety should be regarded as a very important task if we want to foil the enemy's multifaceted war of sabotage. As far as the suppression of the counter-revolutionaries is concerned, we must quickly frustrate all the reactionaries' attempts to raise their heads, prevent the enemy's sabotage activities and punish them for such activities in all fields, intensify the enforcement of law and discipline, and maintain order for society and safety for the people.

In compliance with various resolutions of the party, our People's Public Security Forces have strenuously struggled over the years to improve their qualities to meet practical requirements for work and combat.

The major campaign, which calls for making studies and undergoing training in accordance with esteemed Uncle Ho's six teachings for the People's Public Security Forces and which is now being initiated by various units throughout the country, has developed its strong effect in promoting all public security cadres and combatants to improve further their political qualities and professional skills.

Efforts to concentrate on reviewing experiences and studying the science of public security have been instrumental in helping improve the political and professional knowledge of a large number of cadres and combatants.

The mass movement for the maintenance of public order and security is now making vigorous headway, especially in various sensitive areas such as the border areas and those areas inhabited by ethnic minority compatriots.

The grass-roots-level public security forces in city wards and villages, the security forces guarding various public organs and enterprises, and many mass organizations in charge of the maintenance of public security and order have been strengthened.

Our armed forces and our People's Public Security Forces are the sharp instruments and the solid props of the socialist state. They are organized and led by the party and wholeheartedly trusted, loved, and supported by the people.

Our armed forces are very proud of the heroic People's Public Security Forces. They are their blood brothers and close comrades-in-arms working on the national security maintenance front.



Since the early days of the revolution, there has been a close relationship between our armed forces and the People's Public Security Forces, because they have united and helped each other fulfill these missions assigned them by the party and people.

The close cooperation among the People's Public Security Forces, the armed forces, and self-defense militia members of both sexes in maintaining political security and public order and security has become a fine tradition and a great strength, with which they can triumph over all the enemy's sabotage schemes and tricks.

While celebrating the anniversary of the founding of the heroic People's Public Security Forces, we are convinced that by developing to the fullest their fine character and their glorious tradition of fighting victoriously and by studying and observing Uncle Ho's six teachings, the People's Public Security Forces will certainly be able to fulfill successfully all their assigned missions; build themselves into a clean and steadfast force; score more new achievements; and eternally live up to the trust and love of the party, state, and people.

CSO: 4209/4209

PARTY ACTIVITIES AND GOVERNMENT

SRV ARMY PAPER ON AUGUST REVOLUTION ANNIVERSARY

OW230646 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Aug 85

[QUAN DOI NHAN DAN editorial: "Epochal Dimension of the August Revolution"]

[Text] Dear friends: Today, 19 August, is the 40th anniversary of the August Revolution victory. QUAN DOI NHAN DAN carries an editorial entitled: "Epochal Dimension of the August Revolution."

The editorial reads: Forty years later, looking back on the great August 1945 revolution, which has changed the life of an entire people, we are very proud of the epochal dimension of that historic armed exploit.

The August Revolution truth, which the mists of time cannot blur, has been further brightened by realities in revolutionary struggle: A slave people, groaning under a triple yoke of oppression and exploitation, valiantly rose up and, within a span of 10 days, wiped out the entire imperialist-colonialist-feudalist ruling apparatus, began a new life in independence and freedom which they had won, and founded the first worker-peasant state in Southeast Asia. That was a particularly momentous event, rare in the liberation struggle history of all peoples, a typical example of armed uprising to regain power in a colony, following the victory of the great Russian October Revolution.

At a time when Japanese imperialism had surrendered, but the militarists had not actually laid down their arms, when hundreds of thousands of their troops were still occupying Vietnam, and when allied troops had not yet entered our country to disarm the fascists, the August Revolution was carried out in a widespread, fierce, and vigorous manner, culminating in a resounding victory. That was a great achievement resulting from the determination and extremely correct strategy of our party and the great Uncle Ho, who creatively applied Marxist-Leninist principles on revolutionary uprising. Many issues on the preparations of revolutionary forces, watching for opportunities, revolutionary strategies and tactics, revolutionary methods, and revolutionary organizational administration had been set forth, studied, and resolved perfectly in a period of 5 years, and that led to a decisive victory in a simultaneous uprising from rural areas to the cities and from the lowlands to the highlands.

The August Revolution victory stems from a harmonious coordination of objective advantages resulting from the Soviet Union's smashing victory over the fascist

forces and our people's objective efforts and the developed might of the times and our people. The August Revolution victory is an affirmation of a very realistic possibility of the present time: A revolution led by the proletariat can win victory in a colony when imperialism maintains its reins in the mother country. The factors of success and valuable experiences of the August Revolution, which reflect the truth of the time, have increased exponentially, and developed highly throughout the past 40 years of revolutionary struggle of our people to preserve and promote their revolutionary gains. Such issues as local uprisings that led to the general uprising, the establishment of bases and liberated zones, the building of political and military forces, and the coordination of political and military struggles with military proselytizing were invaluable initial lessons for the two subsequent wars of resistance waged by our people.

The August Revolution is an eloquent manifestation of the great strength of the unity bloc of our people under the leadership of the vanguard party of the proletariat. That strength has unceasingly developed over the past 40 years of fighting to regain total independence and freedom and for national defense and nation building.

The international imperialist and reactionary forces have clearly realized the thoroughgoing nature of the August Revolution and its great influence on the liberation struggle of the colonial peoples. Therefore, wiping out the achievements of the August Revolution, eliminating an example of leading revolution, checking our people's advance, and reverting them to their life of slavery are consistent objectives of a crusade waged by nearly all the most truculent imperialists and reactionaries of the time in their attempts to subdue Vietnam over the past 40 years. However, no brutal tricks, no insidious and cunning schemes of theirs could check our people's advance toward an independent, reunified, and socialist Vietnam, toward an especially strong and stable alliance of Vietnam, Laos, and Cambodia--as totally independent and free countries--advancing together to socialism on the Indochinese peninsula.

As President Ho Chi Minh said in his declaration of independence, a people that bravely opposed French domination over the past 80 years and more, that courageously sided with the allied force to oppose fascism over the past many years, must have the right to live in freedom and independence. And throughout the past 40 years, our people have devoted all their spirit and force, their lives and properties, to firmly defending that right to independence and freedom.

The protracted, fierce, historic confrontation in Vietnam has shed more light on the truth of the time, the invincible and reliable strength of the force struggling for national independence, democracy, and socialism; has again made Vietnam a noble symbol of the "nothing is more precious than independence and freedom" will.

All peoples have the right to be proud of their glorious past. Our people have a 4,000-year history of national defense and nation building, a 100-year history of staunch struggle against imperialism and colonialism, a 40-year history of fighting to firmly defend and develop the great achievements of the August Revolution; they have all the more the right to that justifiable pride.

History is the great spiritual strength of the people, an invaluable treasure of experiences for building the future. From the summit of history we have a wider view of the glorious future of our people. We believe even more firmly in the inevitable victory of our glorious revolutionary undertaking. For us, the past, present, and future are closely intertwined. The past serves as an inspiration for the present, which, in turn, lays the foundations for a better future.

Revolution involves a course of unceasing struggle, a process of constantly overcoming difficulties in our advance. We are building our country and our life not under totally peaceful conditions; the gunfire of the expansionist-aggressors is resounding daily on our fatherland's borders; the hostile forces are waging a multifaceted war of sabotage, and making strenuous preparations for a large-scale war of aggression in an attempt to subdue our people. Therefore, while concentrating our efforts on the primary task of socialist construction, we must not relax our vigilance, not even for a minute; must not underestimate the enemy's schemes and tricks; must not give short shrift to the task of national defense consolidation and defense of the fatherland.

National defense coupled with nation building is a longtime acknowledged truth. Each armed exploit we score on the border is partly the result of the rear area's work; and each socialist project we achieve is partly the result of the bloodshed by the combatant who holds his gun in national defense and in the discharge of his internationalist obligations. We should keenly understand that relationship so that we will always closely coordinate economic work with national defense, and national defense with economic work, and will perform well both tasks of socialist construction and defense of the socialist fatherland.

In the process of building socialism in the first stage of the transition period in our country at a time when our enemies of all types are seeking ways to oppose and undermine our work, we face so many new, complicated issues on economic management, production, and organization of livelihood. Accurately assessing what we have achieved and what we still cannot achieve; clearly understanding the strengths and weaknesses of each organization, each locality, and each installation, as well as of each individual; promoting the expanding positive factors; restraining, and eliminating negativism is a seething, decisive struggle that is taking place daily in all domains, at all times, and in all places. Numerous difficulties and obstacles still lie ahead, but, it is perfectly clear that we are continuing to overcome weaknesses, remedy shortcomings, and find increasingly efficient methods for economic and social management to further advance our socialist construction and transformation.

A socialist patriotic emulation impetus is being whipped up from the rear area to the frontline. In these days of commemoration of an historic anniversary, the August Revolution spirit is permeating the socialist construction and defense of the fatherland of our entire people and army, and is transforming the revolutionary will and creative dynamism of all organizations, of everyone, into armed exploits in combat and achievements in productive labor and work performance. This is all being done for the sake of the enduring prosperity and strength of our fatherland, and of our people's decent and happy life.

PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH SPEECH AT NGHE TINH CEREMONY

BK241242 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Aug 85

["Full text" of Council of State Chairman Truong Chinh's speech at the ceremony to confer Gold Star Order to Nghe Tinh cadres, combatants, and people]

[Text] Dear members of the ceremony Presidium, dear distinguished guests, and dear comrades and compatriots: Today, we are very elated to commemorate the 40th anniversary of the August revolution and the 2 September National Day, the day that ushered in a brilliant new era in the history of building and defending the Vietnamese nation--the era of independence and freedom, in which the Vietnamese working people are real masters of their own destiny.

During the past 40 years, the Vietnamese people have undergone a very staunch and glorious revolutionary struggle. We achieved victory in the August revolution and in establishing the Democratic Republic of Vietnam--the first peasant-worker state in Southeast Asia. We also achieved the historic victory of Dien Bien Phu and the great victory in spring 1975. People throughout the country, including those of Nghe Tinh Province, under the leadership of the CPV, have developed their spirit of courageous, resourceful, and creative combat and have repeatedly defeated all cruel enemies, thereby firmly building and defending the independent, unified, and socialist Vietnamese fatherland.

The word Vietnam has become a brilliant symbol for independence, freedom, and revolutionary heroism in the new era. This very great merit is attributed to the glorious CPV--leader of all victories for the Vietnamese revolution--and great President Ho Chi Minh, founder and leader of our party who led our people to victory after victory.

Commemorating this glorious historical day, on behalf of the CPV Central Committee, the National Assembly, the Councils of State and Ministers, I am very glad to confer the Gold Star Order, the highest and noblest award of our state, to the people, party organization, and combatants of Nghe Tinh Province, who have scored great achievements during the 40-year struggle for the revolution, building socialism, and defending the socialist Vietnamese fatherland, thereby contributing appropriately to the glorious cause of the Vietnamese revolution.

On this occasion, I cordially convey to party cadres and members, veteran revolutionists, families of fallen heroes, families with meritorious service to the revolution, wounded and sick soldiers, retired officials, youths, teenagers, and people of all strata in Nghe Tinh Province my warmest and most cordial greetings.

Dear comrades and compatriots, to commemorate realistically the 40th anniversary of the August Revolution, the National Day, and the 55th Soviet-Nghe Tinh anniversary, the Nghe Tinh party organization and people should continue to develop the province's glorious revolutionary tradition, turn the spirit of revolutionary heroism in the former war of resistance into the revolutionary heroism for the present national construction and defense, thereby making Nghe Tinh a prosperous, strong, and exemplary province worthy of the heroic Soviet-Nghe Tinh land as taught by President Ho Chi Minh and the confidence and love of comrades and people throughout the country.

It is imperative for the province to implement satisfactorily the party Central Committee eighth plenum's resolution on eliminating bureaucratism and subsidization and shifting to socialist accounting and business, vigorously develop the working people's collective mastery, exploit all potentials and strengths of the province, and gradually stabilize and develop the people's daily life, thereby contributing to strengthening the socialist industrialization of our country.

The party organization, people, and armed forces of Nghe Tinh must strengthen their solidarity; consistently enhance their revolutionary vigilance; consolidate the national defense task; firmly maintain political security, social order, and safety, and satisfactorily carry out the international obligation toward the peoples of Laos and Cambodia.

I firmly believe that, with the spirit of self-reliance of the Nghe Tinh party organization and people; the wholehearted assistance of specialists from the Soviet Union, the GDR, and Poland; and the comprehensive cooperation between Nghe Tinh and two provinces of the LPDR, the people of Nghe Tinh will make greater progress in the days ahead.

I wish all comrades and compatriots a good health. I hope you all will strive to participate in production and other socialist emulation drives, thereby scoring new and greater achievements in the cause of building socialism and firmly defending the socialist Vietnamese fatherland.

CSO: 4209/596

JPRS-SEA-85-140  
14 September 1985

## PARTY ACTIVITIES AND GOVERNMENT

### PHAM VAN DONG'S SPEECH AT HAI HUNG MEETING

BK230707 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Aug 85

[Text of SRV Premier Pham Van Dong's speech at 20 August meeting in Hai Hung Province--read by announcer]

[Text] Dear comrades, leaders of Hai Hung Province; dear members of the Presidium; dear comrades and compatriots:

Today, amid the atmosphere of elation to celebrate the 40th anniversary of the victorious August revolution and the founding of the Democratic Republic of Vietnam--now the Socialist Republic of Vietnam--on behalf of the CPV Central Committee, the National Assembly, the Council of State, and the Council of Ministers, I would like to convey my heartfelt sentiments and warm greetings to all the comrades and compatriots in Hai Hung Province.

As one of the densely populated and potentially rich provinces of the Red River's alluvial plain linking the capital of Hanoi to Haiphong Port, Hai Hung holds an important position in the socioeconomic development of the northern plain in particular, and of the whole country, as well as in the national struggle against foreign aggression.

In the past half century of more struggle and construction, you, comrades and compatriots, in Hai Hung Province have made outstanding and commendable contributions. During the anti-French resistance struggle, the guerrilla movement was developing and spreading vigorously to every hamlet and village with many courageous and resourceful attacks by stalwart guerrilla units such as Hoang Ninh, Kim Thanh, Thanh Giong, Tam Nong, Chien Thang, and so forth, which created a live offensive line along route No 5; frightened and drove the enemy the enemy into a predicament; and contributed to changing the strategic position in the northern plain.

Along with fighting the enemy, you also developed production--especially agricultural production--vigorously. Not only was enough rice produced for the provincial people and troops, but also hundreds of thousands of tons of rice were delivered to the state.

Then came the anti-U.S. struggle for national salvation. The Hai Hung provincial people, while actively working and producing, fought very valiantly against

enemy air strikes, downed many enemy aircraft, killed and captured many enemy pilots, ensured smooth day and night traffic along route No 5, and contributed to defending the North. At the same time, hundreds of thousands of youths were mobilized to the battlefield and together with the people countrywide, they victoriously fought the U.S. aggressors, unified the country, and advanced the entire country to socialism.

No sooner had peace been restored than the Chinese expansionists waged war along the southwest and northern borders of our country. Once again, the Hai Hung provincial people had to see their children off to war to defend the socialist Vietnam fatherland and to fulfill their noble international obligations.

On the battlefield of economic and cultural development, the Hai Hung people have also scored encouraging achievements, especially in agricultural production. It used to grow only one crop or rice, but Hai Hung now has a comprehensively developed agriculture in terms of rice, secondary food, industrial crops, export food products, and animal raising--both livestock and poultry.

On the basis of cooperativization and the effort to enhance the intensive cultivation of crops, for many years in a row the rice yield has passed the hard-to-reach goal of 5 tons per hectare to reach the present goal of nearly 7 tons.

In industry, along with the centrally run major industrial projects, many locally run factories have been built in Hai Hung. At the same time, handicrafts and artisan industry have been developed to increasingly give more support to agricultural production, the people's livelihood, and exports.

Hai Hung Province has also made much effort to improve distribution and circulation. It has always ranked among the first to fulfill grain obligations to the state. Considerable progress has been made in the cultural, educational, and public health fields. The province is the first to have established the movement for building civilized life and for families which adopt a new culture. The application of the three revolutions--including the key scientific and technical revolution--to production and life has been emphasized. The contingent of scientific and technical cadres has been well-administered. The skilled workforce has constantly developed in both quantity and quality. Progress has also been made in the field of security and national defense.

On the occasion of the 40th anniversary of the August revolution and national founding, our party and state cite the merits of the comrades and compatriots in Hai Hung Province who have sided with all the people countrywide in the past few decades in the struggle for a peaceful, unified, independent, and socialist Vietnam.

In today's solemn ceremony, on behalf of the party Central Committee, the National Assembly, the Council of State, and the Council of Ministers, I confer the Gold Star Order--the highest award of our state--on the cadres, combatants, and people of Hai Hung Province. I would like to convey the solicitous regards and cordial sentiments of our party and state to all the old revolutionaries, the meritorious revolutionary families, the fallen heroes' surviving



dependents, the retirees, wounded soldiers, old people, youths, teenagers, and children, and to all the comrades and compatriots in Hai Hung Province.

On this happy occasion, with emotion and boundless gratitude, we look to the glorious CPV and great President Ho Chi Minh and we gratefully remember all those who have sacrificed themselves to score victories in the past and present as well.

Dear comrades: Encouraged by and proud of the past victories, you and the compatriots in the province should uphold the stalwart and indomitable traditions; develop the achieved successes; continually accelerate agricultural production and local industrial production--to include handicrafts and artisan industry production; step up export; satisfactorily carry out distribution and circulation; continue to consolidate the socialist production relations; develop culture, education, and public health; stabilize and improve the people's livelihood, build a civilized and healthy lifestyle; constantly heighten revolutionary vigilance for national defense; smash the enemy's multifaceted war of sabotage; firmly maintain political security and social order and security; struggle and gradually build Hai Hung into a beautiful and prosperous province with comprehensively strong industry and agriculture; and make ever worthier contributions to the construction and defenses of our beloved Vietnam homeland.

In order to satisfactorily implement the above-mentioned tasks, you should strive to build a wholesome and healthy party organization in the province, enhance the managerial effectiveness of administration, comprehensively strengthen the armed forces, consolidate mass organizations, promote the laboring people's socialist collective mastery, and stir up a seething revolutionary movement of the masses.

You should immediately implement well the eighth resolution of the Fifth Party Central Committee, eliminate bureaucratic centralism and subsidization, completely shift to democratic centralization and socialist accounting and business transactions using the state plan as the central task, and strive to fulfill the 1985 state plan in order to achieve the socioeconomic targets set forth by the Fifth Party Congress, while making active preparations for the 1986-90 5-Year Plan to advance toward the Sixth Party Congress.

Let the people in Hai Hung Province unite with the people nationwide around the party Central Committee headed by General Secretary Le Duan, struggle to successfully build socialism, and firmly defend the Socialist Vietnam fatherland.

CSO: 4209/596

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14 September 1985

## PARTY ACTIVITIES AND GOVERNMENT

### PHAM VAN DONG PRESENTS GOLD STAR TO HAI HUNG

BK221421 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Aug 85

[Text] A grand meeting was held in Hai Duong City on the morning of 20 August by the Hai Hung Provincial Party Committee, People's Committee, and VFF Committee to mark the 40th anniversary of the August Revolution and National Day-- 2 September--and to receive the Gold Star Order awarded by the state. Nearly 2 thousand people attended the meeting, including representatives of various organs, mass organizations, and units of the armed forces; families having rendered services to the revolution; veteran cadres; outstanding soldiers; leading cadres of the Party Committee and People's Committee in the province; and representatives from various central-level organs, sectors, military regions, armed branches, and neighboring provinces.

The party organization and people of Hai Hung Province were overjoyed to receive Comrade Pham Van Dong, member of the party Central Committee Political Bureau and chairman of the Council of Ministers, at this meeting that was also attended by representatives of the group of Soviet experts and Lao and Cambodian students currently working or studying in the province.

Comrade Ngo Duy Dong, member of the party Central Committee and secretary of the provincial Party Committee, delivered a speech pointing out the historical significance of this glorious anniversary of the great achievements recorded by our people in national construction and defense over the past 40 years under the party's leadership. He also spoke highly of esteemed President Ho Chi Minh's great services to our party and people and recalled the great successes recorded by the party organization and people of Hai Hung during the wars of resistance against the French, the Americans, and the Chinese aggressors as well as in the struggle to build and advance the country to socialism.

Touching on the question of agricultural production in the province, Comrade Ngo Duy Dong said: Formerly production in Hai Hung province was characterized by isolation and fragmentation; ricefields were ravaged by insects, waterlogging, drought, and flooding; and peasants could not earn a living despite working hard year round. After land reform was enforced, the local peasants began to own the ricefields, and the countryside began to change constantly for the better.

Even during the years in which Hai Hung came under the fiercest attack by the enemy, its rice yield surpassed the 5-metric ton mark and reached almost 7 metric

tons per hectare. In the recent 5th month-spring crop, the province attained a rice yield of 4.7 metric tons per hectare. This was the most successful 5th-month spring rice crop ever achieved by the province in terms of acreage, yield, and output.

As a result, the livelihood of its people has gradually been improved and the province itself has been able to deliver grain and food to the state annually in excess of plans. Meanwhile, the industrial, small industrial, handicraft, cultural, medical, and education sectors in the province have also developed with desirable results.

In the days ahead, the party organization, armed forces, and people of Hai Hung are determined to uphold their sense of responsibility and continue to develop their revolutionary tradition in an effort to implement successfully all the resolutions of the party Central Committee Political Bureau and the Fifth Party Congress and the resolution of the party Central Committee's Eighth Plenum in particular.

This is aimed at making Hai Hung a firm, strong province in every respect so that it can contribute ever more voluminously to the building of socialism and the defense of the socialist Vietnamese fatherland and can fulfill its noble internationalist duty.

Flushed with pride and elation and amidst the imposing tones of martial music, Chairman of the Council of Ministers Pham Van Dong pinned the Gold Star Order on the traditional banner of the province before addressing the ceremony.

CSO: 4209/596

PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH VISITS VINH CITY, PRESENTS ORDER OF REVOLUTION

BK220944 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Aug 85

[Text] On 20 August, the Nghe Tinh Provincial Party, People's, and Fatherland Front Committees held a solemn meeting in Vinh City to mark the 40th anniversary of the August Revolution and the National Day, 2 September, and to receive the Gold Star Order awarded by the Council of State. Attending the meeting were more than 20,000 representatives of mass organizations, armed forces, veteran revolutionary cadres, emulation heroes and combatants, families who have given meritorious service to the revolution, and representatives of various strata of the people.

The Nghe Tinh Party Organization and people were very happy and elated to welcome Comrade Truong Chinh, member of the CPV Central Committee Political Bureau and chairman of the Council of State, who visited the province and attended the meeting.

Comrade Nguyen Ky Cam, member of the CPV Central Committee and secretary of Nghe Tinh Party Committee delivered a speech stressing the historical significance of the August Revolution, the great achievements of the 40-year struggle for the revolution, the fatherland's independence and freedom, the people's happiness, and the nation's prosperity under the leadership of the glorious CPV. He also hailed esteemed President Ho Chi Minh for his devotion to the party and nation, and his deep love for Nghe Tinh Province--his native place.

Amid the encouraging atmosphere and prolonged applause, Chairman Truong Chinh pinned the Gold Star Order--the highest and noblest award of our state being presented to cadres, people, and combatants of Nghe Tinh Province--on the traditional banner of the province and handed over the certificate of this order to leading cadres of Nghe Tinh. The meeting again erupted into applause when Chairman Truong Chinh delivered his speech.

On behalf of the party organization and people of various nationalities of Nghe Tinh Province, (Nguyen Ba), chairman of the People's Committee delivered a speech expressing profound gratitude to the party Central Committee, the National Assembly, and the Councils of Ministers and State for bestowing award to Nghe Tinh Party Organization, people and combatants. He pledged that the province will seriously implement the solicitous advice given by Chairman Truong Chinh.

At this solemn meeting Comrade (Nguyen Ba) affirmed that the people of Nghe Tinh are determined to develop the glorious revolutionary tradition, enhance the spirit of self-reliance, consolidate the spirit of socialist collective mastery, and resolutely build Nghe Tinh into a strong, prosperous, and exemplary province to be worthy of the heroic Soviet and native place of great President Ho Chi Minh.

The meeting concluded to the imposing notes of the song "As If Uncle Ho Was Present On This Great Happy, Victorious Day."

CSO: 4209/596

PARTY ACTIVITIES AND GOVERNMENT

CHU HUY MAN AT LANG SON ANNIVERSARY MEETING

BK241427 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Aug 85

[Text] The Lang Son Provincial Party Committee, People's Committee, and Fatherland Front held a grand ceremony at the Chi Lang Historical Center on 21 August to mark the 40th anniversary of the August Revolution and the 2 September National Day and to receive the Gold Star Order awarded by the state.

Attending were over 1,000 delegates representing various public organs, mass organizations, military units, the people of various nationalities, veteran cadres, heroes, emulation combatants, those families having meritorious services with the revolution, or so compatriots of various ethnic minority groups such as the Nung, Tay, Kinh, Giao, and Mong.

Sr Gen Chu Huy Man, member of the party Central Committee Political Bureau and vice chairman of the Council of State, attended.

Comrade La Thang, member of the party Central Committee and secretary of the provincial Party Committee, delivered a speech, pointing out the historical significance of this glorious anniversary: Over the past 40 years, since the 1940 Bac Son uprising to the resounding victories on Route 4--at Bong Lau and Lung Tau--the 1950 border victory, and the campaign to provide assistance to the southern revolution, the people of Lang Son have positively contributed their energy and property to regaining and defending national independence and freedom.

Today, taking up their forefathers' patriotic tradition of fighting foreign aggression as shown during the August Revolution, once again the party organization and people of Lang Son have tried to remain vigilant, steadfast, and victorious in the new struggle to defend firmly the fatherland's frontline border areas.

Feeling proud of its achievements and the noble award, Lang Son will be all the more aware of its shortcomings and weaknesses to be redressed, trying to surge forward to make itself worthy as a northern border province.

The party organization and people of various nationalities in Lang Son will foster their glorious tradition and concentrate their mind, energy, and talents on satisfactorily carrying out all the pressing tasks assigned them by the party Central Committee, the state, and the province itself.

As an immediate task, the province will step up production, successfully implement the resolution of the party Central Committee's Eighth Plenum in the mountainous region, and promote army-people solidarity and efforts to realize the schemes of the expansionists, heighten vigilance, foil the enemy's multifaceted war of sabotage, and defend every inch of the rich and beautiful fatherland.

Comrade Chu Huy Man, vice chairman of the Council of State pinned the Gold Star Order, a high distinction awarded by the state, on the traditional flag of Lang Son Province.

Addressing the meeting, and after pointing to the position of Lang Son Province at the northern defense line and hailing the province as a solid steel shield capable of stopping all the enemy's incursions, Comrade Chu Huy Man said:

With the correct lines of the party and the glorious revolutionary tradition of the province, the party organization, army, and people of various nationalities in Lang Son have constantly increased their revolutionary vigilance and have been united and of the same mind, trying to quickly make their frontline mountainous province politically stable, strong in national defense, and economically rich with a better and increasingly modernized life, thus living up to the trust and love of the party and the people nationwide.

On this occasion, Sr Gen Chu Huy Man toured the border districts of Dinh Lap, Loc Binh, and Trang Dinh, the newly-built Lang Son cement factory, and many forward units such as units B-38 and B-27, the Sao Vang Group, and the military command and the border defense forces of Lang Son Province. The cadres, combatants, and people of various nationalities in these localities warmly welcomed the comrade vice chairman of the Council of State.

The comrade visited and addressed the Lang Son People's Public Security Forces, a hero unit, at a ceremony held to celebrate their founding anniversary and to receive the Ho Chi Minh Order awarded by the state. He was accompanied by Comrade Maj Gen Vu Duc Thai, deputy commander of the First Military Region; and Comrade (Tran Ry), deputy permanent secretary of the Lang Son Provincial Party Committee.

All the cadres and combatants present felt elated and deeply moved on hearing the comrade vice chairman of the Council of State convey the best regards and congratulations of the party Central Committee, the Council of State, and the Council of Ministers to those cadres and combatants now guarding the border.

The comrade shook hands with many cadres and combatants maintaining forward positions when he returned to visit the victorious Route 4 and the Cao-Bac-Lang war zone. It is here more than 30 years ago that the comrade served as a unit commander in the Cao-Bac-Lang regiment.

Sr Gen Chu Huy Man, with deep emotion, recalled the army-people solidarity tradition and the stamina of his troops that made it possible for them to triumph over the enemy.

The comrade urged cadres and combatants to realize the two strategic tasks in the new revolutionary stage and the enemy's schemes, heighten their vigilance, build up the comradely and comrade-in-arms love, and care for the material and spiritual life of each unit if they want to have their duties carried out satisfactorily.

All the cadres and combatants guarding the border pledged to the party Central Committee and the state that whatever the situation, they are determined to defend national independence and freedom and the frontier of the beloved fatherland and to contribute to amassing wealth for the country.

CSO: 4209/596



PARTY ACTIVITIES AND GOVERNMENT

DO MUOI ADDRESSES ANNIVERSARY RALLY IN BAC THAI

OW241331 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Aug 85

[Text] The provincial Party Committee, People's Committee, and VFF chapter of Bac Thai and the First Military Region Command held a grand meeting on the morning of 20 August in Thai Nguyen municipality to mark the 40th anniversary of the August revolution and Vietnam's National Day, and to receive the two Gold Star Orders the Council of State awarded to the First Military Region and the nationality peoples of Bac Thai Province.

Attending the meeting were Comrades Do Muoi, member of the Political Bureau of the CPV Central Committee and vice chairman of the Council of Ministers; Vo Nguyen Giap, member of the CPV Central Committee and vice chairman of the Council of Ministers; Hoang Quoc Viet, honorary chairman of the Presidium of the VFF Central Committee; Sr Gen Haong Van Thai, member of the CPV Central Committee and vice ministers of national defense; Col Gen Dam Quang Trung, member of the CPV Central Committee and commander of the First Military Region; representatives of ministries, committees, and sectors at the central level; delegations from Hanoi Municipality, Ho Chi Minh City, and Cao Bang, Lang Son, Ha Tuyen, Quang Ninh, Vinh Phu, and Ha Bac Provinces; heads of Soviet and GDR specialists' delegations; and Lao students working in Bac Thai.

Comrade Vu Ngoc Linh, member of the CPV Central Committee and secretary of the Bac Thai Provincial Party Committee, made a speech in which he underlined Bac Thai's overall developments in the past 40 years.

On behalf of the CPV Central Committee and the state, Comrade Do Nuoi awarded two Gold Star Orders to the cadres and combatants of the First Military Region and the people of Bac Thai.

Vice Chairman of the Council of Ministers Do Muoi cited and praised the cadres and combatants of the First Military Region and the Bac Thai Party Organization and people for developing their traditions of patriotism, diligence, and valor; for scoring many glorious achievements in nation building and in the defense of the fatherland and for proving the province's worth as a revolutionary base that has won the confidence, love, and admiration of the people countrywide.

Comrade Do Muoi conveyed regards from the comrade party and state leaders to the families of war dead and war invalids, and to the combatants who are holding

firm their guns in their daily defense of the northern borders of our fatherland. He expressed his sincere thanks to the party, state, and people of the Soviet Union and to other socialist countries for sending specialists to help Bac Thai in building material bases for socialism in a land rich in revolutionary traditions. He reminded the party organization and nationality peoples of Bac Thai to do a good job in carrying out the three revolutions, to renovate their economic management mechanism, and to refrain from solely relying on the central government in order to score further achievements.

The northern mountainous region, he said, has all the potentials necessary for the localities to satisfactorily carry out the two strategic tasks set forth by the Fifth Party Congress. Bac Thai should do a better job in building its industrial-agricultural-forestry economic structure; step up intensive cultivation and multicropping; and attach importance to secondary and industrial crops. In industrial production, Bac Thai should step up commodity production quantitatively and qualitatively, and attach importance to industry and forestry products. All sectors should intensively support agricultural production to help it develop further and perfect its new production relations while building material and technical bases. Every production and business unit must bring about new changes for the better in accordance with the spirit of the sixth and eighth resolutions of the CPV Central Committee; ensure greater efficiency, output increases, quality commodities, and lower production costs; basically improve the people's livelihood; and contribute to fulfilling the 1985 state plan. The Bac Thai Party Organization and people and the First Military Region's Armed Forces should heighten vigilance, build an all-people national defense, defeat the enemy's multifaceted war of sabotage and land-grabbing activities in the border areas, strive for economic development, and build a new life, in order to transform Bac Thai into the most prosperous and wealthiest province of our country, as Uncle Ho taught during his visit to Bac Thai.

On behalf of the Bac Thai Party Organization and people, Comrade Nong Duc Manh, deputy secretary of the provincial Party Committee and chairman of the provincial People's Committee, promised the CPV Central Committee and the state that he will mobilize the peoples of all walks of life in the province to emulate one another in successfully attaining the economic and social objectives set forth by the provincial Party Organization Congress and, for the immediate future, in doing a good job in carrying out the eighth resolution of the party Central Committee.

On behalf of the cadres, people, and combatants in the First Military Region, Col Gen Dam Quang Trung expressed the local armed forces' absolute confidence in the CPV Central Committee and their determination to enhance their combat ability; to achieve army-people unity; to exercise collective mastery; to defend, build, and remain firm on the frontline; to strive hard to enrich themselves; and to fight and defeat the enemy.

Following the meeting, cadres and combatants of the First Military Region's Armed Forces and people of all walks of life in Bac Thai staged a military and mass parade to demonstrate the growth and strength the armed forces and production and work units of the 12 districts, municipality, and cities of the province have attained through their efforts in the past 40 years.

ECONOMIC PLANNING, TRADE, AND FINANCE

NHAN DAN ON TRANSFORMING PRIVATE TRADE

BK251405 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Aug 85

[NHAN DAN 21 August editorial: "Implementing the Fifth Party Central Committee's Eighth Plenum Resolution, Transform and Manage Well Private Trade"]

[Text] Along with vigorously accelerating production and strengthening the socialist trade force, many localities have achieved some progress in stepping up the transformation and management of private trade. Many good and effective forms have been universally used to ensure the interests of the state, private traders, and consumers.

In the southern provinces, some 8,000 or more households of major business have been cooperativized. Most of these households are in Ho Chi Minh City. More than 700 shops have been established, absorbing 6,500 stockholders with mobilized funds of hundreds of millions of dong. The use of small merchants--in compliance with the various market management policies--as retail agents for state-owned trade has been initially applied to many trade branches.

In markets where some 60 percent of private merchants are plying their trade, the form of grouping these merchants by trades is used to purchase and sell collectively or to purchase collectively and sell individually. In many other localities, the form of technical labor contracts is used to employ the skills of small merchants or to deal in various services, and the form of recruiting merchants--especially in rural areas--for marketing cooperatives is applied.

These appropriate forms are linked to the transformation, organization, and management of private trade. First, they enable the state to control money and commodities, transform merchants through labor, use their skills and experiences in business as well, especially establish step by step the system of direct state management control over the major business installations, continually eliminate the capitalist business method, and create conditions for the socialist trade to surge forward and control the market in the struggle to stabilize prices.

The economy of our country is still composed of several elements. The various industries and handicrafts do not have the capacity of receiving at one time hundreds of thousands of individual merchants shifting to production, while the socialist trade has not developed to the level of being able to meet all the demands for consumption and goods circulation in society.

Accelerating the transformation, placement, use, and management of private traders, and providing guidance for them to operate properly in the orbit of socialist economy and correctly implement the state management policies constitute an important and urgent task that helps intensify market management and prices and implement the new management system in accordance with the party Central Committee's Eighth Plenum resolution.

In general, the transformation and management of private trade has not progressed regularly, intensively, extensively or continuously to cover all trades. In the markets of both the rural areas and cities, at certain times and in certain places, some types of commodities are mostly controlled by private trade.

Many private households are still dealing in food catering services, food production and processing, maritime products, wooden wares, construction materials, and so forth. They have not been properly placed and administered. Quite a number of private traders, especially in cities, towns, and communications centers have not been reorganized to operate under the appropriate forms at the designated places. Even in those places where appropriate forms of transformation have been applied, loose management and slackness in consolidating and intensifying the activities properly have allowed some private traders to take advantage of the designation of joint state-private enterprise to appoint retailing agents for state-owned trade or marketing cooperatives in order to siphon off good quality and trademark commodities and accept bad quality and forged items instead. They have acted as intermediaries to pass on the products of speculators, smugglers, and those traders who refuse registration and dodge taxes.

Such discordance, inconsistency, and discontinuity in the transformation and management of private trade constitutes a loophole for speculators, smugglers, and enemies to disrupt the market and prices and sabotage our economy. This also allows degenerate and deviant elements in the state economy organizations to do wrong.

In some localities, the prices of some commodities have recently increased. Such an increase in prices is not the result of shortages of commodities but is partly due to enemy sabotage and our failure to satisfactorily carry out the transformation and management of private trade.

After the system of coupons and state-supply selling prices was abolished, dishonest traders changed their tactics. They contacted those private traders who have not been transformed and reorganized and even some of these private traders who have joined the state enterprises in order to seek profits and disrupt the market and prices.

More than ever before, the transformation and management of private trade should be carried out steadily and consistently to help ensure that the system of prices, wages, and money and the entire new management system can be successfully implemented.

Our state policy is clear cut--to resolutely and positively abolish private capitalist trade and to shift these capitalist traders and their dependents

to production. Those who are dealing in those commodities and trades which are authorized by the state, will continue their operation, will be restrictively employed, and will be transformed under appropriate forms with state guidance and control.

Most of the small merchants belong to the laboring class. Quite a number of them come from families with one or more members in the army or government service. Particularly, in the south, some of them used to fight against the U.S.-puppet regime. As a result, the policy of transforming, using, and administering small merchants must be very fair and reasonable. We should reorganize them and give them licenses to trade depending on whether the commodities or trades should be encouraged or restricted. They should be selected and employed under many appropriate forms. A certain number of them may be selected for assignment to the state-owned trade or marketing cooperatives or be appointed as agents for certain trades and commodities. The remainders should be given conditions to gradually shift to production and service operations.

Along with the various economic, educational, and organizational measures, administrative management should be intensified. Whoever is engaged in trade in market, should comply adequately with the state regulations on the circulation of goods and on market management such as registering business, goods trademarks, prices, goods quality, and measuring units; with the various systems for taxes, credits, and cash; with the rules of service and goods display at the prescribed spots, and so forth.

Particularly, as regards markets where many private merchants are daily plying their trade and where speculators and smugglers usually operate to disrupt prices, they should be all the more reasonably rearranged and rationally planned. The various market management organizations should be promptly revamped. The guideline is to make every effort to attract all buyers and sellers to the orderly and closely administered markets and to definitively discontinue the situation in which private merchants are permitted to excessively grow in some places, to organize the market at their own convenience, and to inconsiderately ply their trades everywhere and on sidewalks. These merchants have been dodging control and supervision by the market management agencies.

The socialist state must actively and resolutely reorganize the market for orderly and civilized trade to best serve production and consumption. It is an extremely important measure to transform and manage well private trade. This will help intensify market management, stabilize prices, money, production, and livelihood, and create favorable conditions for the implementation of the party Central Committee's Eighth Plenum resolution.

CSO: 4209/596

ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

GIA LAI-CONG TUM RESETTLEMENT--During the first 6 months of 1985, Gia Lai-Cong Tum Province received 2,302 families comprising 10,072 people from some northern provinces to build new economic zones. During the same period, Gia Lai-Cong Tum also opened up 700 hectares of virgin land and built 60 km of roads and more than 2,000 houses to help the new resettlers stabilize their lives. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 13 Aug 85 BK]

KIEN GIANG HANDICRAFT COOPERATIVES--During the first 7 months, Kien Giang Province has set up 6 more small industrial and handicraft cooperatives, thus bringing to 32 the total number of these cooperatives. To date, Kien Giang has also established 550 small industrial and handicraft production teams. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 14 Aug 85 BK]

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AGRICULTURE

HANOI RADIO REVIEWS AGRICULTURAL ACTIVITIES

OW220957 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Aug 85

[Text] According to the Statistics General Department, by 15 August the entire country had planted more than 2.93 million hectares of 10th-month rice or 64.4 percent of the planned area. In general, the pace of planting in the past week was accelerated further but was still slower than in the same period last year. The northern provinces had planted as many as 1,157,300 hectares of 87.4 percent of the planned area, still leaving some 160,000 more hectares uncultivated. Some Red River Delta provinces such as Hai Hung, Thai Binh, Ha Nam Ninh, Vinh Phu, and Ha Son Binh had planted 99, 98.1, 97, 93, and 85 percent respectively of the planned areas.

According to the Ministry of Water Conservancy's report, it rained in a number of localities on 13, 14, and 15 August, including Vinh Phu with an average rainfall of 50-80 mm. Rainfall in other localities varied from 10 to 30 mm. Owing to rainfalls, the drought-hit area has diminished. About 150,000 hectares of rice are currently in need of water to keep rice plants green, including 22,000 hectares in Hai Hung, 20,000 hectares in Ha Son Binh, and 24,000 hectares in Hanoi where as many as 9,300 hectares of land have not yet been prepared for cultivation. Also by 15 August, the southern provinces had harvested 37.8 percent of the summer-fall rice area. An Giang, Cu Long, Long An, and Hau Giang Provinces had harvested 65, 35, 20, and 15 percent respectively of the planted areas.

Because of the summer-fall rice harvest and the shortage of water for soil preparation, the southern provinces have so far transplanted only 49.6 percent of the planned 10th-month rice area.

Over the past 10 days, the rice area affected by harmful insects and diseases has increased continuously. The affected area in the northern provinces has reached 137,000 hectares, 3 times larger than in the previous week, and that of the southern provinces, 230,000 hectares. The rice areas affected by rice hispa and stem borers have been found mainly in Thai Binh with 38,000 hectares, Nghe Tinh and Binh Tri Thien with more [than] 18,000 hectares, and Ha Nam Ninh and Quang Ninh with more than 10,000 hectares.

Due to concentration of efforts on planting the 10th-month rice and harvesting the summer-fall rice, the cultivated area of subsidiary and industrial crops

nationwide, including corn, sweet potatoes, manioc, soybeans, and sugarcane, has decreased as compared with the corresponding period of last year. Meanwhile, the planted area of food crops such as peanuts and sesame has increased by 7 to 8 percent over the same period last year.

The Ministry of Agriculture has urged the northern localities to engage actively in the control and prevention of drought and waterlogging and to tend the 10th-month rice crop properly. As for the southern localities, they should quickly complete the summer-fall harvest and concentrate all means on preparing soil and planting the 10th-month rice.

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