

JPRS-SEA-91-029
10 DECEMBER 1991



JPRS Report

East Asia

Southeast Asia

DTIC QUALITY INSPECTED 2

19980515 122

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

DISTRIBUTION STATEMENT A
Approved for public release;
Distribution Unlimited

East Asia Southeast Asia

JPRS-SEA-91-029

CONTENTS

10 December 1991

BURMA

Energy Role Vital in 1992 Development [THE WORKING PEOPLE'S DAILY 17 Oct]	1
Trade Ministry Held Foreign Trade Seminar [THE WORKING PEOPLE'S DAILY 22 Oct]	1
Reportage on KNU Insurgents [THE WORKING PEOPLE'S DAILY 23, 17, 22 Oct]	1
Government Steps Up Operations To Liquidate KNU Terrorists	1
KNU Terrorists Surrender	2
Antiterrorist Rallies in Delta Regions	2

CAMBODIA

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Khmer Rouge Protocol Chief Profiled [Bangkok BANGKOK POST 22 Oct]	4
Atmospherics in KPNLF Zone [Bangkok THE NATION 28 Oct]	4

STATE OF CAMBODIA

Contacts With Thai Over Border Temple Reported [Bangkok MATICHON 6 Nov]	5
---	---

INDONESIA

POLITICAL

President Emphasizes Importance of 'Openness' [SUARA KARYA 21 Oct]	7
Atmospherics Surrounding 1992 Elections [TEKNOLOGY & STRATEGI MILITER 14 Nov]	8
GOLKAR's 1992 Election Target Discussed [EDITOR 2 Nov]	11
Power of Youth Will Influence 1992 Elections [SUARA KARYA 11 Nov]	12
Full Investigation of East Timor Incident Vowed [SUARA KARYA 14 Nov]	13
Officials Involved in Illegal Land Sale [EDITOR 2 Nov]	15

ECONOMIC

Cooperation With Australia Announced [BISNIS INDONESIA 28 Oct]	16
Telephone Projects Face Delays [BISNIS INDONESIA 28 Oct]	17
Financial Institutions Face Big Losses [BISNIS INDONESIA 28 Oct]	17
Statistics Show Decrease in Poverty [EDITOR 16 Nov]	18

LAOS

Rice Shortage Results in Illegal Border Crossing [KHAO PHISSET 7-13 Oct]	20
--	----

MALAYSIA

POLITICAL

Sarawak Dayak Party Complimented on New Policy [BERITA HARIAN 1 Oct]	22
--	----

ECONOMIC

Mahathir Says Country To Build Planes by 2020 [UTUSAN MALAYSIA 11 Oct]	22
Failure To Achieve Incorporation Lamented [UTUSAN MALAYSIA 14 Oct]	23
Negeri Sembilan Most Developed State by 2020 [BERITA HARIAN 1 Oct]	24
Northern Triangle Development Applauded [UTUSAN MALAYSIA 14 Oct]	24

Foreign Workers for Farms, Factories Approved [UTUSAN MALAYSIA 11 Oct]	26
Writer Calls for Nuclear Technology Development [BERITA HARIAN 11 Oct]	26

PHILIPPINES

Editorial on Aquino's 1992 Plans [DIYARYO FILIPINO 14 Oct]	29
Presidential Candidates Support Debt Payment [MINDANAO DAILY MIRROR 31 Oct]	29
Cojuangco: Government Must 'Never' Compete [MINDANAO DAILY MIRROR 24 Oct]	30
Enrile Criticizes Comelec [DIYARYO FILIPINO 10 Oct]	31
Possibility of LDP in Bulacan Breaking Up [DIYARYO FILIPINO 11 Oct]	31
Rice Among Top Issues in 1992 Election [MINDANAO DAILY MIRROR 27 Oct]	31
Challenges for Fernan As Presidential Candidate [DIYARYO FILIPINO 15 Oct]	32
Reportage on Fernan Candidacy [SUN STAR 14 Oct]	33
Cebu Governor Dismisses Cory-Fernan Candidacy	33
Cebu City Mayor Supports Fernan's Candidacy	33
Columnist: Officials Should Check Investment Act [DIYARYO FILIPINO 15 Oct]	34
Rebels Killed in Clash [DIYARYO FILIPINO 14 Oct]	34

THAILAND

POLITICAL

Opinion Poll on Government, NPKC, Leadership [SIAM RAT 31 Oct]	36
--	----

MILITARY

Navy CINC Comments on U.S. Base Use [MATICHON SUT SAPDA 11 Oct]	37
Suchinda, Wirot, Kaset Comment on Commissions [DAILY NEWS 9 Oct]	37
General, Sources on Commissions for Weapons Buys [LAK THAI 14-20 Oct]	38
Army Letter on Chawalit Contacts Published [KHAO PHISET 30 Sep-6 Oct]	39
New Army Newspaper Profiled [KHAO PHISET 30 Sep-6 Oct]	40

ECONOMIC

Industry Federation Urges BoI Policy Changes [THE NATION 4 Nov]	41
Commerce Ministry To Review Cambodia Policy [THE NATION 30 Oct]	42
Merchant Marine Growth Plans, Problems Discussed [KHAO PHISET 7-13 Oct]	42

SOCIAL

Philosopher Monk Comments on Politics, Socialism [KHAO PHISET 30 Sep-6Oct]	44
--	----

VIETNAM

POLITICAL

Official on Normalizing Relations With China [TUOI TRE 10 Oct]	46
Party Congress on Ideology, Organization Tasks [NHAN DAN 29 Oct]	47
Deputies Make Suggestions on Election Law, Council of Ministers [TUOI TRE 22 Oct]	48
Report on Ho Chi Minh City Party Congress [TUOI TRE 22 Oct]	48
Party Organizations Contribute Ideas to City's Party Documents [SAIGON GIAI PHONG 26, 28 Sep; 1 Oct]	49
Sixth, 11th Labor Unions Hold Meetings	49
First, 8th Precincts Share Ideas	50
Districts Discuss Documents	51
Motions for Party on Youth Work Discussed [TUOI TRE 22 Oct]	52

MILITARY

Defense Industry in New Situation Discussed [NHAN DAN 4 Nov]	53
--	----

ECONOMIC

Progress in Paper Production Noted [*QUAN DOI NHAN DAN 11 Oct*] 53

SOCIAL

Employment Situation in Rural Areas [*QUAN DOI NHAN DAN 29 Sep*] 54
Article Discusses Employment-Related Issues [*NGHIEN CUU KINH TE Aug*] 56

BIOGRAPHIC

Information on Personalities [*HANOI MOI, SAIGON GIAI PHONG, etc.*] 58

Energy Role Vital in 1992 Development

92SE0060B Rangoon *THE WORKING PEOPLE'S DAILY* in English 17 Oct 91 pp 1, 2

[Text] Yangon, 16 Oct—"The year 1992 has been designated as the Economic Year of Myanmar [Burma] Naing-Ngan to bring about progress and development to the State and the energy sector plays a vital role in doing so. Therefore, it is necessary for service personnel of departments under the Ministry of Energy to be very active and faithful in their work".

This was mentioned by Minister for Energy and for Mines Vice-Admiral Maung Maung Khin in addressing the biannual work co-ordination meeting of the Myanmar Petroleum Products Enterprise for 1991-92 at the Dunnedaw Base Storage and Distribution Division this morning.

Present at the meeting were the Director-General of the Energy Planning Department, the Officer on Special Duty at the Ministry of Energy, Managing Director of the Myanmar Petroleum Products Enterprise U Aung Hlaing, the managing directors of enterprise under the Ministry of Energy and heads of divisions, among others.

Minister Vice-Admiral Maung Maung Khin also mentioned that it was necessary to review the performance of the past six months and to co-ordinate measures between the upper and lower levels to remedy the shortfalls and to overcome the difficulties encountered.

He pointed out that the State had effected changes in its economic system to that of market economy and was practising it by issuing laws, rules, procedures, orders, notifications and directives depending on the situation and time. However, some political parties and some unscrupulous persons were trying to cause economic upheavals and to gain self-interests by instigating and inciting through various means. He said that it was necessary for all to make concerted efforts in bringing economic development to the State without fail as a national duty.

He explained that in bringing about development to the State, the energy sector played a vital role and therefore, in drawing up the special projects by the Special Projects Implementation Committee, energy projects were given priority. He pointed out that in order to be able to step up the production of oil and natural gas the Myanmar Oil and Gas Enterprise signed product-sharing contracts with 10 foreign oil companies and were carrying out oil exploration work. He said oil exploration work was also being carried with our own service personnel and due to their efforts there was success in producing more oil and natural gas in Pyay Taungdan Oilfield and Shwepyitha Oil and Natural-gas fields.

The Minister spoke of the need to minimise loss and wastage in distributing oil to the consumers. He disclosed that at the work co-ordination meetings held in the past, instructions were given to minimise loss and wastage as much as possible. He said that it was found

that work was carried out accordingly to the instructions and success was achieved considerably in minimising loss and wastage during the past three years.

He said that as efforts were made to minimise loss and wastage as much as possible, it was also necessary for the officials concerned to deter and constantly remind the service personnel to refrain from malpractices in storage, transportation and distribution sectors.

The Minister in conclusion stressed the need for service personnel to shoulder their responsibilities dutifully, to preserve and protect Our Three National Causes and to work in the interests of the State and the national people steadfastly.

Managing Director of the Myanmar Petroleum Products Enterprise U Aung Hlaing delivered an address. Then officials of the State and Division departments, heads of divisions and State/Division sales managers presented work progress reports of the respective departments. The first day meeting then ended.

The meeting will continue on 17 October.

Trade Ministry Held Foreign Trade Seminar

92SE0060A Rangoon *THE WORKING PEOPLE'S DAILY* in English 22 Oct 91 pp 1, 6

[Text] Yangon, 21 Oct—Seminar on Legal Aspects of Foreign Trade sponsored by the Ministry of Trade was opened at a ceremony held in the meeting room of the Department of Trade this morning.

Present at the seminar were Trade Department Director-General U Maung Maung Kyaw and responsible personnel, directors-general and managing directors of the departments and enterprises, personnel from the departments from the ministries, organizations, and joint venture corporations, Myanmar Naing-Ngan Chamber of Commerce and Industry, private exporters and importers and experts from ICT and GATT.

Trade Department Director—General U Maung Maung Kyaw, UNDP Resident Representative Mr Gerd Merrem and Senior Adviser of ICT Mr Pierre Marie Nicora delivered speeches.

Three experts from ICT and General Agreement on Trade and Tariffs (GATT) will give lectures, it is learnt. The seminar which will be held up to 26 October is being attended by 41 personnel from the ministries, joint venture corporations and Myanmar [Burma] Naing-Ngan Chamber of Commerce and Industry.

Reportage on KNU Insurgents

Government Steps Up Operations To Liquidate KNU Terrorists

92SE0062A Rangoon *THE WORKING PEOPLE'S DAILY* in English 23 Oct 91 pp 12, 7

[Text] Yangon, 22 Oct—Tatmadawmen (Army, Navy and Air Force), hand in hand with the people, continue

to expose and crush the KNU [Karen National Union] terrorists who have intruded into the delta region.

Between 17 October and today, two engagements took place in Ngapudaw Township between the Tatmadaw forces and KNU terrorists and arms and ammunition hidden by the terrorists were uncovered eight times. Thirty-five terrorists were killed while 25 assorted fire-arms, 3,343 rounds of ammunition, seven rocket-propelled grenades and two grenades were seized.

Similarly, an engagement took place in Bogale Township and the enemy's arms and ammunition were seized five times. Seven terrorists were killed while 24 assorted fire-arms, 2,157 rounds of ammunition, one rocket-propelled grenade and five grenades were seized.

In Myaungmya, Wakema and Mawlamyinekyun Townships, enemy arms and ammunition were seized four times; they included three assorted fire-arms and 8,036 rounds of ammunition.

In Labutta Township, arms and ammunition hidden by the terrorists were uncovered twice and seven assorted firearms, 40 rounds of ammunition for heavy weapons and another 6,656 rounds of ammunition were seized.

In all, a total of 42 KNU terrorists were killed and 59 assorted fire-arms, 20,192 rounds of ammunition, eight rocket-propelled grenades, seven grenades and 40 rounds of ammunition for heavy weapons were seized.

Under the close supervision of Commander of South-West Command Maj-Gen Myint Aung, the Tatmadawmen (Army, Navy and Air Force) together with the people have stepped up their fight against the KNU terrorists, it is learnt.

KNU Terrorists Surrender

92SE0062B Rangoon THE WORKING PEOPLE'S DAILY in English 17 Oct 91 p 12

[Text] Yangon, 16 Oct—Tatmadawmen (Army, Navy and Air Force) joining hands with peace-loving people, are continuing to expose and crush the KNU [Karen National Union] terrorists who infiltrated into the consolidated and peaceful delta region to cause trouble to the people through various means.

In exposing and crushing the terrorists, our Tatmadaw column encountered with a group of KNU terrorists at the mouth of Hlinebon Chaung in Ngaputaw Township this morning and a battle took place from 3:30 am to 4 am our Tatmadawmen fought with valour and attacked relentlessly, seven KNU terrorists were killed and one AK-7 automatic rifle, one Claymore mine, three RPGs and three motorized vessels were seized from them.

Similarly, the peace-loving people, joined hands with the Tatmadaw in searching the KNU terrorists and their arms and ammunition. On 15 October, the local populace of Daungtyi village, Bogale Township, found one

AK-47 automatic rifle and the local populace of Theik-pangongyi village, Labutta Township, found 40 numbers of 81 mm explosive shells and 4,603 rounds of AK-47 automatic rifle ammunition.

Due to the offensives launched by Tatmadawmen (Army, Navy and Air Force) and concerted efforts made by the public in exposing the terrorists, 13 KNU terrorists could no longer take refuge as they became very frightened and surrendered at the regimental headquarters in Myaungmya on 14 October.

The Tatmadawmen (Army, Navy and Air Force) in co-operation with the people are crushing the KNU terrorists with high intensity, it is learnt.

Antiterrorist Rallies in Delta Regions

92SE0062C Rangoon THE WORKING PEOPLE'S DAILY in English 22 Oct 91 p 12

[Text] Yangon, 21 Oct—More than 15, 000 people of Hinthada held an anti-terrorist mass rally in the People's Sports Ground in Hinthada on 19 October morning and denounced the atrocities of KNU [Karen National Union] terrorists.

Hinthada Township Zone Law and Order Restoration Council Chairman Lt-Col Maung Soe and members, Hinthada Township Law and Order Restoration Council Chairman Maj Tha Aye and members, departmental personnel, students and residents from 20 wards marched to the venue of the rally in four columns.

First, 10th Standard student Naw Soe Aye of No 2 Basic Education High School tabled a motion denouncing the KNU terrorists for disrupting the students' peaceful pursuit of education and the motion was seconded by 10th Standard student Saw Nyein Chan Aung.

Next, Head of the Township Forest Department U Tun Wai tabled a motion denouncing the KNU terrorists for causing economic instability, and the motion was seconded by Staff Officer U Ai Zeya Lin of the Township Agricultural Mechanization Department.

Chairman of motorized vessels association U Mya Hlaing tabled a motion denouncing the KNU terrorists for disrupting secure public transport and the motion was seconded by U Than Win, owner of a motorized vessel.

Afterwards, trader U Aye Tun tabled a motion denouncing the KNU terrorists for possible price hikes in commodities due to their infiltration into the delta region and the motion was seconded by trader Daw Naw Aye Mya Lwin Sein.

Finally, mass of the people present at the rally gave their support to the motions. The anti-terrorist mass rally came to an end with the shouting of anti-terrorist slogans.

Bogale Township

A similar mass rally was held in the sports ground of Setsan village in Bogale Township on 17 October afternoon.

The rally was attended by Chairman of Pyapon Township Zone Law and Order Restoration Council Lt-Col Tin Shwe, Chairman of Bogale Township Law and Order Restoration Council Maj Myint Aung and departmental personnel.

About 3,800 farmers and workers from Setsan and Daungyi village-tracts marched to the venue in four columns.

Anti-terrorist motions were tabled, seconded and passed by the mass of the people.

Bogale

At 3 pm on 18 October, over 18,000 people of nine wards in Bogale gathered in the Myoma Sports ground and held an anti-terrorist mass rally.

The rally was also attended by member of Ayeyarwady Division Law and Order Restoration Council Police Col Tun Hteik Oo, Chairman of Township Law and Order Restoration Council Maj Myint Aung and departmental personnel.

Anti-terrorist motions were tabled, seconded and approved by the mass of the people.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Khmer Rouge Protocol Chief Profiled

92SE0071B Bangkok BANGKOK POST in English
22 Oct 91 p 8

[Article by James Pringle: "Frank Talk About Khmer Rouge With Its Top Official"]

[Excerpts] Phum Dong, Cambodia—Good humour is not something one expects in a senior Khmer Rouge official.

But Long Norin, protocol chief in the Khmer Rouge foreign ministry, seems to be bubbling over with so much joy one cannot resist asking him why.

The official, standing beside his jeep at the Thai-Cambodian border near Khmer Rouge HQ at Phum Tmai—and escorted by khaki-clad Khmer Rouge soldiers—threw his arms in the air, laughed and exclaimed in French: "The war is over".

Then for 40 minutes, during which worried Thai soldiers at a checkpoint constantly called their parent unit on a field radio, Long Norin gave possibly the frankest account by a senior Khmer Rouge official.

He even criticised other hardline leaders of the shadowy organisation for wanting to send refugees back to an area of Cambodia where malaria is rife.

And he told how "moved" he had been when he finally saw how people had suffered during Khmer Rouge rule, and how "mistakes" made by the fanatical group had led to a loss of popular support and the occupation of Cambodia by the Vietnamese army in early 1979.

It was up to history, he said, to make a balance between the good and bad of Khmer Rouge rule—a period, it is believed, when up to one million people died in Cambodia as a result of government policy.

Long Norin, 53, wearing a white leisure shirt, grey slacks, and highly polished boots, mentioned by name Pol Pot, the notorious Khmer Rouge leader.

Cambodians criticised Pol Pot for the bad things that had happened but praised him for water control dams which, Long Norin said, now made life in Cambodia easier.

"There was something good, something bad," he said.

Khmer Rouge nominal leader Khieu Samphan will join leaders of the other three Cambodian factions in Paris tomorrow in signing a peace accord formally ending 13 years of war and paving the way for the UN's biggest peace-keeping operation.

Long Norin, a close aid to Khieu Samphan, claims Vietnamese troops are still in Cambodia "hiding in the forest."

When asked if the Khmer Rouge truly believes in a market economy, as it claims, Long Norin did not just say "Yes"—he exclaimed "Yes, yes, yes, yes," emphasising the word each time.

He apologised for not inviting this reporter into the HQ compound, saying the leadership had called together 40 senior officials to discuss "improving the life of the people" after the peace accord is signed.

When asked if the Khmer Rouge had made mistakes during its rule from 1975 to late 1978, he replied:

"I can say there were some bad things, [word illegible] is why we could not contain the attack of the Vietnamese.

"If we had been doing only good things [word illegible] the population would have supported us and not run away as they did. We made some mistakes and that is how the Vietnamese were able to invade Cambodia."

When asked why he did not speak out when the "mistakes" were occurring, he said he had worked hard in his office in Phnom Penh, then a deserted city, whose population had been evacuated to rural areas.

"I was isolated and did not know what was going on outside the city. I felt what I was doing was for the benefit of the country.

"When the Vietnamese invaded and I came here I saw the Kampuchean people were thin and had nothing and this moved me deeply."

How does the image of this, on the surface, reformist Khmer Rouge match the reality?

In the Khmer Rouge-controlled village of Phum Dong, reached by wading waist-deep through a muddy, flooded river, people do indeed trade.

It's also a kind of public relations centre for Khmer Rouge fighters back from the battlefield, where the guns have been stilled, by and large, since the informal ceasefire on May 1. [passage omitted]

For the moment, at least, there is no terror but there is a rather sombre atmosphere, unlike the hurly-burly of life in the zones controlled by the two non-communist factions and even the Phnom Penh government. [passage omitted]

Atmospherics in KPNLF Zone

92SE0071A Bangkok THE NATION in English
28 Oct 91 p A4

[Article by Banteay Baos, Agence France-Presse, Cambodia: "Fighting Forces Insist on Holding On to Weapons"]

[Excerpts] Wary Cambodian guerrillas in this front-line village have put their peace celebrations on hold as they refuse to lay down their guns.

Despite the peace treaty signed in Paris last Wednesday by the four warring factions, the fighters on the ground insist on holding on to their weapons until a United National peacekeeping force is in place.

"The war is not over yet. It's not over until the UN get here," said Colonel So Chan Heng of the noncommunist Khmer People's National Liberation Front (KPNLF) guerrilla faction. [passage omitted]

The guerrillas say their hard-fought campaign for the area—what they call their liberated zone—gave them power to negotiate during the war and it will provide them with a political base in the peace. [passage omitted]

The guerrillas and Phnom Penh forces fought an artillery duel for about three hours on Thursday morning and there was intermittent artillery fire throughout the day.

Phnom Penh forces fired two salvos from their dreaded multiple-rocket launchers that evening.

The rumble of the rockets slamming into the sodden countryside was stark proof that it would take more than the signing of a peace treaty to halt the fighting.

The impact of the rockets prompted anxious glances across the smokey, candle-lit room which serves as the KPNLF operations nerve centre here. Hurried radio exchanges followed as the guerrillas tried to find out what was going on.

The KPNLF artillery officer radioed his men at their gun positions, barking out orders to them to prepare their dwindling supplies of ammunition and remain on high alert.

"They have a plan to push us back as much as they can while they still have the chance," said Heng.

He stabbed the map with a stocky finger, indicating Banteay Baos.

"If they're sincere about peace OK, but if not I think they are going to attack us here," he said.

Phnom Penh had brought up about 200 reinforcements for the attack on Banteay Baos which the guerrillas expected early on Friday morning.

But although artillery fire rumbled in the distance, the attack did not materialize.

One KPNLF commander said it was probably cancelled because Phnom Penh knew that two foreign visitors were in the area.

"They knew foreigners were here and called off the attack, but when you are gone ... We need foreigners, the UN, in here permanently, as soon as possible," said senior KPNLF commander General Khem Sophan.

Villagers in the area are also looking to foreigners to bring peace to their ravaged country. [passage omitted]

"They think that because foreigners are here the war is really over," said the KPNLF's Major Chan Neang Rith.

"They say you are like angels from heaven," Neang Rith said as old women crowded around, their palms held together in front of their faces in traditional greeting. Throngs of half-naked children gaped. [passage omitted]

STATE OF CAMBODIA

Contacts With Thai Over Border Temple Reported
92SE0065A Bangkok MATICHON in Thai 6 Nov 91
p 21

[Text] Our correspondent reported from Sisaket Province on the progress being made by both Preah Vihear Province in Cambodia and Sisaket Province in Thailand on preparations to officially open the Preah Vihear Temple as a tourist attraction. On the second and third of November, the temple was opened temporarily on a trial basis to allow tourists to see it. The Cambodian side collected 30 baht from each tourist. There were more than 5,000 people who came to visit. The correspondent reported that during this trial opening Cambodian officials including Mr. Suk Sam Eng, the governor of Preah Vihear Province, together with an entourage of 21 came to observe. There were also to be talks to reach an agreement with 2d Lieutenant Somchit Chulaphong, the governor of Sisaket Province, on the details of opening the site.

The correspondent reported that this meeting would be held on 7 November at the central meeting hall in Sisaket Province. The Cambodian representatives who would participate were: Mr. Suk Sam Eng, the governor of Preah Vihear Province, Mr. Ail Bunthong, the deputy governor of Preah Vihear Province, Mr. Kham Wan, the third deputy Army commander, Mr. Chu Wunthai, chairman of the Provincial Council, and other involved officials. The Thai side in the talks was to include 2d Lt. Somchit Chulaphong, the governor of Sisaket Province, the commander of the Suranari unit, the commander of the 23rd Thahan Phran Irregulars, Surin Province customs officials, and the commander of the Ubon Ratchathani immigration unit. Officials from the Thai Ministry of Interior were also to take part as observers.

A source involved with this meeting said that the importance of the meeting was that it would decide when both sides would be ready to officially open the temple, how income from admissions would be divided, and how security would be provided for the tourists.

In addition he felt that the issues raised at the meeting would include the problem of arms smuggling and the smuggling of cattle and buffalo along the Sisaket Province border, the problem of Cambodian bandits robbing Thai villagers, and the problem of Cambodian workers illegally crossing to find work in Thailand. There were to be discussions on how to deal with these various problems.

The [correspondent's] report stated that during the preparations to open the temple as a tourist attraction, Thai

tourism officials came to check on the site where the center for tourist services was to be built and the possibility of developing tourist attractions in other sites near the temple such as the Phula-o waterfall and the Khonphruan Palace. A budget of 80 million baht had been allocated for Sisaket

Province to use in developing tourist attractions. It was expected that the center for tourist services would be set up in the area of Phamodindaeng, Ban Phumison Village, Saothongchai Subdistrict, Kantharalak District. This was in Thailand very near the temple.

POLITICAL

President Emphasizes Importance of 'Openness'

92SE0046A Jakarta SUARA KARYA in Indonesian
21 Oct 91 pp 1, 11

[Text] Jakarta, SUARA KARYA—President Suharto has stated that the present and future periods of history are and will be marked by openness, both in terms of ideological, political, social, cultural, as well as economic insights. This concept applies to the national level as well as to community groups themselves.

Speaking as the chairman of the Development Council of GOLKAR [Functional Group] in his address to the 27th anniversary reception of the organization at the Balai Sidang [Hall of Meetings] in Jakarta on 20 October, the chief of state said: "We need to develop GOLKAR in that direction in the future." Attending the meeting on this occasion were 5,000 GOLKAR cadres, as well as high ranking state officials, ambassadors, ulama [Muslim religious teachers], and leaders of the PDI [Indonesian Democracy Party] and the PPP [Development Unity Party].

The chief of state said that at present GOLKAR has developed into a large organization. In addition to strength a large organization also has problems. One of the problems which we must pay attention to is the distance in communications between the highest leadership of the party and cadres, members, and sympathizers in the field. This must not happen within the ranks of GOLKAR.

The chief of state declared that GOLKAR must continue to be protected, cultivated, and developed as a social and political force which is democratic in character and which operates continuously through a consultative structure. GOLKAR must continue to be able to develop its own image and character as an open, people's organization.

According to the chief of state, the principal role of GOLKAR is to continue to function as a force for development. So that it can continue to be a leader in the course of the Second Long Term National Development Program, GOLKAR must continue to have a strong program of service, a clear concept, a high level of discipline, and strong support from the ordinary people.

The chief of state said: "Strong support from the people is not only important for GOLKAR as an organization which takes part in general elections, but is also important for the success of national development itself. We are encouraging the support and participation of the people in a planned way. We will develop and make use of it as a driving force of national development."

President Suharto said that the strategy of national development must be implemented down to the lowest, regional level. And that national strategy can only be felt in the life of the people if it is really implemented in daily

life. This means that the task of a political organization is not complete when it plans, conceives, and supports the direction of development contained in the GBHN [Main Lines of State Development] program.

He said that a subsequent, important task of a social and political organization is to move forward patiently and join in following the course of national development, in accordance with regional circumstances. This is because our people live their daily lives in the various regions. President Suharto said: "This means that the best cadres in a social and political organization not only need to be at the national level but also at the regional level. The service and success of the cadres at the regional level will provide depth and scope to insights at the national level."

The chief of state also said that, as a leader in the development and modernization movement, GOLKAR must first undertake a process of internal consolidation. A very important consideration also is that it must win the support of the people in a democratic way through general elections. The participation of GOLKAR in the general elections is to win the decisive support of the people for the development strategy which is being prepared and the support of the leaders who will implement this development strategy. In this way the development of the social and political role of GOLKAR means supporting the role of national development.

GOLKAR is also aware that the success of development at present is the result of hard work by all elements of society, circles, groups, and generations among the Indonesian nation. GOLKAR is happy to see that the concept and challenge of development has been accepted by the nation.

The chief of state said: "We are aware that there are still weak points and shortcomings here and there. However, we can say with gratitude that we have been able to achieve the strategic goals which we sought. These goals, as I just said, are to correct all of the shortcomings which have affected the nation and to lay a strong foundation for subsequent development."

The People's Struggle

In his speech Wahono, the general chairman of the Central Executive Council of GOLKAR, said that if GOLKAR wishes to continue to be the vehicle for the people's struggle, it must always seek to renew itself by continuing to stand firm on the mission and program adopted at the time of its foundation 27 years ago.

Wahono said: "We are truly thankful that the people have always had confidence in GOLKAR as a social and political force which is honest, receptive, and close to the aspirations of the people."

He said that the confidence of the people has been repeatedly entrusted to GOLKAR in past elections. This shows that the mission and program adopted when

GOLKAR was established fits in with and is in accordance with the innermost desires of the Indonesian people. Therefore, GOLKAR has no other choice than to continue to keep and to develop the trust of the people.

Wahono said that now that it is 27 years old GOLKAR wants to maintain the strategic concept of national development, especially the second phase of long term development. That strategic concept fits in with the message of President Suharto to pay increasing attention to the role of the community in the various aspects of national development. Together with that, the demand for a greater role for the people is increasing, in accordance with a dynamic process among the people. And one step forward which is very strongly felt is increasing the critical power of the people and the way in which the people think, which is objectively more rational. The progress which has been achieved because of the development program requires adjusting it to community development.

Therefore, Wahono, the deputy chairman of the Central Executive Council of GOLKAR, asked the cadres of the party always to promote and to continue its advanced role, as had been made clear up to now in the dynamics of national development and renewal, while paying attention to new, rational, and modern dimensions.

In connection with the forthcoming general elections in 1992 Wahono said that GOLKAR will support and defend the present, political system in a determined way and will strengthen the way in which it functions in a responsible fashion. GOLKAR will continue to be consistent in maintaining the way in which the mechanism of Pancasila [Five Principles of the Nation] Democracy functions, including developing the ethos of the political culture of Pancasila Democracy. This includes general elections, the candidacy of President Suharto for another term, and the convocation of the general session of the MPR [People's Advisory Council] in 1993.

He said: "We are fully aware that the general elections are not just an occasion for competing for the votes of the electors. Rather, what is more important is that they are held to develop the process of democracy and the infrastructure of political education. GOLKAR does not wish recklessly to raise issues which only benefit itself. Rather, GOLKAR will move forward with its program to raise the living standard of the common people."

Atmospherics Surrounding 1992 Elections

92SE0072A Jakarta TEKNOLOGI & STRATEGI MILITER in Indonesian 14 Nov 91 pp 67-69

[Article by Ichlasul Amal and Rizal Panggabean: "1992 General Elections: Continuity and Change"]

[Text] Although the sixth general election in the history of the republic will be held in 1992, its atmosphere and reverberations are already being felt. The issues of "golput" [the white group], the entry into political parties—or is this a bluff?—of retired personnel of the

Indonesian Armed Forces, and programs featuring debates between figures from the OPP [Organizations Taking Part in the General Elections] on television or in other mass media will be part of the activity among the people throughout the 1992 general elections.

Although they have appeared as the principal news feature in some of the mass media, the issues which are being debated are really not particularly relevant, either in the effort of considering the position of the political parties or in the framework of identifying continuity and change in the forthcoming elections. In this connection what is far more important and, up to now, has not received much attention is the question of the governing role of the parties and their supporters through the use of political party programs.

One aspect of the political parties and the party system—apart from their being standards of competition and organization and for the selection of candidates—is the question of their governing role. To what extent are the openings and opportunities the same for every group in the party system to win in the general elections, form a majority in Parliament, and place its representatives in the executive branch of the government—including the positions of chief executive (the president or the prime minister)?

This concept has its roots in democratic thinking which regards the participation of the people in the general elections as evidence and as a manifestation of the people's role in determining who will sit in the government. In this connection the political parties are a tool which institutionalizes the people's participation and, with a party program in hand, selects the candidates considered suitable to implement and fight for this program, if the party wins the general elections or participates in a coalition.

The existence of a political party program or platform is closely connected to the governing role referred to above. Indeed, it can be said that the party program is decisive in character because a governing role exists. As a set of principles or general policies regarding pressing issues or long term strategy a program is certainly very important for the party. The responsibility of the party toward its voters is seen in terms of the program which has been formulated and the capacity of the party to implement this program. Meanwhile, for the voters a program is an important reason binding them to a given party.

Furthermore, if the political party has a program which is clearly prepared and sound, party candidates and campaign workers cannot make promises as they see fit. This is because the campaign must be based on or be consistent with the program which has been prepared. In other words debate and discussion on the policy which the party will fight for has a clear foundation and consistency if the party program is formulated in a comprehensive way.

In the study of political parties two types of party programs can be distinguished. The first type is a program developed for implementation by party representatives who are in the government. In the system of parliamentary government it is hoped that this program will be advanced by the prime minister and his cabinet. Meanwhile, in the system of presidential government such a program will be advanced by the president and cabinet. The second type of party program will be advocated by party representatives who sit in parliament. In this case it is hoped that the party organization in parliament, as a caucus, faction, or body of that type, will try to implement the program which was promised at the time of the general elections.

In practice there are variations in the relationship between political party programs and the activities of party representatives in the executive or legislative branch of the government. This relationship appears to be weak in the United States. In the United States in 1950 a concept emerged regarding "party responsibility." The objective was to strengthen the political party through more far reaching centralization of its structure, a membership oriented toward issues, a coherent program, and disciplined legislative behavior. Specifically regarding the program, it was proposed that the legislative activity of party representatives should be more closely related to the program which has been proposed.

However, this concept, which originated with the American Academy of Political Science, did not attract broad support. This situation was related to at least two circumstances. First, party cohesion and discipline are weak, and these are characteristic of the party system in the United States. In that country, apart from the fact that party organization in Congress is not cohesive, there are no organizations with large scale membership. Secondly, there is the structure of the separation of powers in the U.S. As is known, the president and the people's representatives in the U.S. obtain their mandates through separate elections. As a result it can happen, and, in fact, often happens, that the party which has a majority in Congress is not the party in power. Furthermore, a president of the U.S. will continue to hold power, even though many policies which he proposes are rejected by Congress.

Meanwhile, in a number of countries with a parliamentary form of government, such as the United Kingdom and New Zealand, the majority party in parliament is the party which governs. Consequently, the party program holds a more strategic position because one party controls the government and dominates parliament. It can be said that the party in power controls the legislative process in parliament. This is accomplished through several forms of party organization in parliament, such as the institution of "Whips," party committees, and so forth. Furthermore, the importance of the party program is also supported by very tight party cohesion and discipline. As a result the close bonds between the party program and the activities of party representatives in the government and parliament are also evident.

However, apart from variations in the relationship between the political party program and the activities of party representatives in parliament, the purpose of the program is the role of governing. For that reason every time general elections are held the respective parties issue manifestoes which contain the framework of a program or promises concerning policies which cover all aspects of policy formulation in the country.

Political Structure and General Elections

The basic question in our party system is a lack of clarity (or the non-existence?) in the governing role of our political parties and GOLKAR [Functional Group]. Under existing political conditions under the New Order [Post-Sukarno Indonesian government system since 1967] it is difficult to imagine that the PPP [Development Unity Party] and the PDI [Indonesian Democracy Party] could place their representatives in the cabinet or in other positions in the government. This is because, considering at least existing conditions and obstacles, there is almost no opportunity for the political parties to win general elections, form a government, or participate in a coalition government.

This situation must be considered when we reflect on several factors in the political structure of the New Order. As is known, the government under the New Order did not obtain political power through general elections, although, it must be admitted, the legitimacy of the New Order government in the period subsequent to its assuming power has been supported, among other things, by holding general elections. Furthermore, the political parties had been charged with being a source of political instability during the first two decades of our independence. As a result, in the context of political stabilization under the New Order, forces outside the political parties, and particularly the government, have very often intervened in the political parties and the party system. Government intervention in party leadership is the aspect which has had the broadest impact on the independence of the political parties. As a result the political parties and the party system during the period of the New Order have not fully developed.

A number of other problems in our party system flow from the lack of a governing role and from the frequency with which party life has experienced external intervention. The problem of party programs is one of these problems. For example, political parties clearly cannot fight for their programs through government or executive channels, because this is not possible for them. Therefore, when we speak about political party programs, most often this only concerns a plan for action for political party representatives in parliament.

Theoretically, political parties can try to implement their proposals and policies through their representatives in parliament. This is because the political parties place their representatives in parliament and, of course, the MPR [People's Advisory Council]. However, in practice this is also difficult to do. One striking factor in the

history of parliament during the New Order is its weakness in making use of its legislative rights and those of the individual members. For example, the right of initiative has never been used by members of parliament throughout the period of the New Order. And parliament, which includes representatives of political parties in addition to GOLKAR and the Armed Forces, most often approves legislation which originates with the government. A number of other parliamentary rights contained in the rules of parliament, such as the right to question and interpellate the government, have also not been used.

As a result party programs are also very difficult to advance through parliament, both because of the technical incapacity of representatives as well as political obstacles in parliament.

Parties Need 'Think Tank'

GOLKAR in fact has greater access to the authorities, particularly thanks to the support of the highest political forces of the New Order, that is, the Indonesian Armed Forces and the state bureaucracy. As a result, although the PPP and the PDI only have an opportunity to place their representatives in parliament, GOLKAR can place its representatives both in parliament as well as in the government. And, of course, it should be said that GOLKAR is the only Organization Participating in the General Elections (OPP) which has an opportunity to take part in government as well as to have representatives in parliament. As a result only GOLKAR can implement its program through the two channels of the government and parliament.

The question for GOLKAR is whether the government's program and policy up to the present were developed by GOLKAR as the organization taking part in the general elections which won those elections. On the other hand is it simply that GOLKAR "adopted" the government program, and this is called the GOLKAR program? If GOLKAR merely identifies its program with government policy which, as is known, was formulated by several institutions or bodies outside of GOLKAR, it cannot be said that up to now GOLKAR has and is implementing its program as an organization taking part in the general elections.

Based on this explanation, this view—as well as the controversies which will later emerge—of the campaign and debates on television among the political parties taking part in the general election, which are regarded as a "change" in the general elections this time, must be placed in context. It is clearly too much to hope that the program which is debated and used in the campaign is considered a "plan for action" by the respective parties in the election campaign. This is because, as has been mentioned, the lack of a governing role for the political parties has resulted in their programs lacking credibility. For example, through what structure could the PPP and PDI struggle for and implement their respective programs?

Furthermore, several other concepts in the context of improving the role and legislative functions of political parties in parliament are open to question. As has often been heard, there is a view that members of parliament should have a staff of experts to strengthen their performance. There is also the idea that a "think tank" is needed for the political parties.

These two concepts, although they are attractive, lack relevancy, particularly in terms of the present situation facing parliament. The need for a staff of experts and a "think tank" flows from the existence of a governing role for the parties. A staff of experts and administrative staff is a requirement for members of parliament—such as in the Bundestag or German Parliament—whose activities in the legislative field really require them to have a number of staff (experts and administrative specialists) in addition to their own private offices. "Think tanks" are needed by the parties to develop programs, anticipate important issues, and form "shadow cabinets" if the party involved goes into the opposition. Without such conditions the formation of a "think tank" and the provision of staff experts for members of the Indonesian parliament are useless and wasteful.

Indeed, the function of political parties and general elections as a structure for the recruitment and selection of elites and leaders will face obstacles in an atmosphere where the governing role of political parties is weak. In a number of countries parties are a place to develop future leaders because there it is possible for the political parties to win elections and become a majority in parliament, in addition to forming the government. In short, general elections are a structure for making it possible for politicians to sit in legislative and executive bodies—and not only in the legislature, as in Indonesia. Consequently, the most important institutions for the formation of elites in our country are the bureaucracy and the military, two bodies which are the most dominant in the history of the New Order.

Therefore, several problems faced by the party and general election system in Indonesia flow from the weakness in the position of parties and the party system, particularly the lack of a governing role for the parties. Because the general elections of 1992 will not be accompanied by basic changes in this area, it can be concluded that until it is concerned with the governing role and all of the implications which flow from it, the coming general elections do not promise to bring any changes at all.

If indeed there are changes, these will lie in a shift in the significance of general elections for the government. In the past general elections were a rather important occasion but were a very expensive way of recording the aspirations and opinions of the people, particularly involving government development policies. Later, it has been up to the government whether it wishes to

respond to those aspirations and opinions or not. Meanwhile, legitimacy has been obtained for the government, particularly through its achievements in the economic development field.

In the future, and particularly in the context of the second phase of long term development, the government can no longer rely on economic development as a source of legitimacy. This is because, apart from the difficult question of obtaining foreign funds for development—which is a signal of the need for a broader involvement of the people—a number of demands have also begun to emerge within the country in terms of democratization and the protection of human rights. On this basis, more than in the past, the 1992 general elections are needed in the context of providing formal, political legitimacy for the government.

GOLKAR's 1992 Election Target Discussed

92SE0052A Jakarta EDITOR in Indonesian 2 Nov 91
p 30

[Text] GOLKAR [Functional Group] is not dreaming as it targets 303 seats in the 1992 election, since it puts full confidence in GOLKAR managers in the provinces, said GOLKAR Secretary-General Witoelar Rachmat. "It is true that everything is still on paper, but there will be repeated field tests in each province," he said.

The 303-seat target emerged in the GOLKAR leadership conference two weeks ago after a new count was made of all the provinces. The recount was made because the previous target of 299 seats (the same as in the last election) was based on precensus population data. "Thus, the 303-seat target is not a result of a change in GOLKAR's political strategy but because of demographic shifts," Rachmat said, citing some examples.

North Sumatra is a case in point. In the 1987 election, GOLKAR won 15 of the 21 DPR [Parliament] seats belonging to North Sumatra. At that time, there were more than 4 million legal voters in North Sumatra. Now, there are more than 5 million voters but the same allocation of seats. GOLKAR has its eye on 16 seats (up one seat from the last election) in 1992. Higher targets are also projected for Lampung (from nine seats to 10), North Sulawesi (from five seats to six, and Maluku (from three seats to four).

Other than in those four provinces, the targets are the same as the results of the last election, except for East Java (see table). In East Java, GOLKAR is willing to relinquish one seat (from 46 seats to 45). Why?

Seats Won by GOLKAR in 1987 Election and Predictions for 1992 Election

Province	1987 Election		1992 Election	
	Total DPR Members	GOLKAR Seats	Total DPR Members	GOLKAR Seats
Aceh	10	5	10	5
North Sumatra	21	15	22	16
West Sumatra	14	11	14	11
Riau	7	6	7	6
Jambi	6	5	6	5
South Sumatra	13	9	13	9
Bengkulu	4	3	4	3
Lampung	10	9	11	10
Jakarta	15	8	14	8
West Java	61	44	61	44
Central Java	58	40	57	40
Yogyakarta	7	5	6	5
East Java	64	46	62	45
West Kalimantan	7	5	8	6
Central Kalimantan	6	5	6	5
South Kalimantan	10	7	10	7
East Kalimantan	6	4	6	4
North Sulawesi	6	5	7	6
Central Sulawesi	4	3	4	3
Southeast Sulawesi	4	4	4	4
South Sulawesi	23	21	23	21
Bali	8	7	8	7
West Nusa Tenggara	7	6	7	6
East Nusa Tenggara	12	11	12	11
Maluku	4	3	5	4
Irian Jaya	9	8	9	8
East Timor	4	4	4	4
TOTALS	400	299	400	303

Although the number of East Java voters is now 4 million more than the 17 million total of five years ago, East Java's seat allocation has declined to only 62, two less than in the previous election. This reduction is related to the equalization of seats between Java and outside Java, both of which now have 200 seats. The decrease prompted GOLKAR to narrow its target by one seat. Was that the true reason?

According to several sources, the reduction in the GOLKAR target for East Java is actually related to the strategy of the PPP [Development Unity Party], which is

recruiting more candidates from among scholars of the NU [Muslim Scholars League]. GOLKAR's calculations for East Java differ from their projections for Central Java. Although Central Java's DPR seat allocation has also been reduced by one, GOLKAR's target still remains 40 seats. That is a rational judgment, for East Java is the base of the NU, which is expected to give solid support to the PPP in the next election.

The change in the GOLKAR vote target has clearly surprised many people, particularly since this step by the GOLKAR DPP [Central Executive Council] appears to have the encouragement of Minister of Home Affairs Rudini. "Because of GOLKAR's strong program, it is capable of attracting voters' sympathy," Rudini said.

Coming from a prominent figure and political leader with authority to control the national bureaucracy, the home minister's statement clearly worries the political parties. "We hope GOLKAR's target is its own and does not imply the involvement of the bureaucracy. If the target is an assignment for the bureaucracy, it will not be 'fair,'" said Soerjadi, general chairman of the PDI [Indonesian Democratic Party].

Matori Abdul Jalil, secretary-general of the PPP DPP, feels GOLKAR's target change is a normal tactic for an election. "We, too, are confident that the PPP will get more seats," he said. In fact, Matori stated, the GOLKAR leadership's statement that they intend to win the election fairly they are prepared for fewer seats.

According to Dr. Nazaruddin Syamsuddin, political observer from the University of Indonesia, the change in GOLKAR's target is only a countermove in response to the repeated moves made recently by the PPP and PDI. "The objective is to motivate GOLKAR managers and cadres, since many people feel that GOLKAR under Wahono and Rachmat has been too 'low profile.' Thus, a move was needed to keep managers from saying that GOLKAR is too 'laid-back,'" he said.

A former GOLKAR manager agrees with that view. He in fact dares to predict that GOLKAR's seats will drop by about 10.

Riswanda Imawan, a political expert from Gajah Mada University, is very unhappy to see GOLKAR's emphasis on targets. "With GOLKAR's three-pronged strength, this gives the impression that achievement of the target is certain," he said. Not that this is intentional, he said, but it will have no small effect on future political life. "If this continues, something 'monolithic' will emerge."

It is possible, Riswanda said, that GOLKAR's expanding target is a result of increasingly greater demands from within GOLKAR and of its inability to bring about complete 'fusion.' "In other words, GOLKAR's system is still that of a confederation, which forces GOLKAR to respond to the demands of its various groups of cadres."

Power of Youth Will Influence 1992 Elections

92SE0080A Jakarta SUARA KARYA in Indonesian
11 Nov 91 p 11

[Text] Bandung (SUARA KARYA)—The power of contemporary Indonesian youth will be able to provide tone and character to the Indonesian political process during the forthcoming 1992 general elections as well as afterwards, if the political attitude of youth includes a pioneering insight in setting the standard of leadership which can bring our nation and people into the 21st century.

This was stated by Marzuki Darusman, deputy secretary of the Political and Security Section of the FKP [Parliamentary Faction of GOLKAR] at a panel discussion at the Faculty of Law of the University of Parahyangan, with the theme, "Political Attitudes of Youth During the 1992 General Elections in the Context of the System of Pancasila [Five Principles of the Nation] Democracy." The seminar was held in Bandung [West Java] on 9 November.

Meanwhile Krissantono, deputy secretary of the General Affairs Section of the FKP who is emerging as its spokesman, said that the younger generation in the 1992 general elections provides not only a special kind of perspective but also can be an indicator of the success of the policy of development during the past two decades. This is because young people now have more realistic and pragmatic attitudes.

According to Marzuki Darusman, GOLKAR [Functional Groups party], the PPP [Development Unity Party], and the PDI [Indonesian Democracy Party] will be competing for the support of first time voters, who number 17 million. However, he said that this does not mean very much. These voters will only influence the choice of about 40 seats in parliament. However, if they are added to the total number of young voters as a whole, including those who participated in past general elections, they will have a great opportunity in the forthcoming elections. This strength in quantitative terms must be accompanied by strength in qualitative terms. This means that youth can provide the tone in the political process during the 1992 general elections, and after this vote, "The rest depends very much on young people themselves," he said.

The younger generation must appreciate the importance of their own role and appreciate the opportunity which they have created themselves. As has been seen, every social and political force attaches its own significance to youth by placing young people in the forefront of the general elections process. This means that the saying that youth needs political life, and political life needs youth has been proved once again.

Must Be Directed

According to Marzuki Darusman, the political views of youth must be directed toward obtaining political commitments to the values of democracy and a national

outlook, so that there will not be ambivalent views of the role of youth. These commitments will only be obtained if youth are capable of seeing the opportunity of making a political commitment to vanguard forces in the social and political sectors which have a national point of view and have already developed into a natural majority.

In Marzuki Darusman's view, GOLKAR has won the last four general elections and has developed into the natural majority force in the political field. It is not a cultural or an historic majority. These victories of GOLKAR must be seen in the perspective that all Indonesian citizens are part of the functional, national movement which has a national outlook based on the Pancasila. This means that maneuvers which go well beyond the mechanism of Pancasila democracy are irrelevant.

Marzuki believes that both young people and GOLKAR have a vanguard role in determining the tone of the future political process. This is a new, political development in the framework of Pancasila democracy which does not require political maneuvers outside the existing framework.

In this context the aspirations of youth will find a proper place in the preparation of the national, political agenda. This will only be possible if there is a commitment and agreement between young people and the social and political forces to guarantee the aspirations of youth in our nation and state. It is this agreement among young people which will give birth to a leadership of the political forces which can bring our nation and state into the 21st century.

Therefore, Marzuki Darusman said that young people are now more realistic and pragmatic. Young people are not so attracted to matters which are "ideological" in tone, as was the youth of the 1960's.

He said that, although many young people are not much attracted to the world of politics, which is full of problems and does not promise anything concrete, there are still many young people who have an interest in and sensitivity to community affairs. For example, there is a study group national social, political, and economic problems intensively and continuously. There is also a group of young people who work directly for the rights of the peasants.

Krissantono thinks that young people are now more critical, frank, and open and tend to favor change, whatever the subject. Young people prefer an attitude open to dialogue. They need clear information and to be treated as equals. He said: "The government, the groups taking part in the general elections, and older people need to pay attention to this so that they will not add to disappointments, a lack of concern, and an indifferent attitude on the part of the younger generation."

When this panel discussion was over, a parade of young people took place outside, about one kilometer long, in which posters were carried concerning the problems of the SDSB [a local school].

Full Investigation of East Timor Incident Vowed
92SE0080B Jakarta SUARA KARYA in Indonesian
14 Nov 91 pp 1, 11

[Text] Jakarta (SUARA KARYA)—General Try Sutrisno, commander of the Indonesian Armed Forces, answering questions from reporters after opening the 1991 seminar of the Alumni Association of the National Defense Institute at the PT Indosat Auditorium in Jakarta on 13 November, said: "It is impossible for the Indonesian Armed Forces to take action for no reason. The term goes, 'Whatever happens, no matter what the case, whether there is wind or typhoon, push ahead, wherever you are.' Wherever it is, there must be a reason. And, therefore, if you go so far as to open fire, this follows something. It cannot be otherwise. Particularly for our Indonesian Armed Forces. I have repeatedly said that the Indonesian Armed Forces are different from the Armed Forces of other countries. We are fighting soldiers and soldier fighters who come from the people. We protect the people."

He was questioned by reporters in connection with the disturbance which took place in Dilli, East Timor, on 12 November. The demonstration was carried out by remnants of Fretilin [Timor Front for Liberation and Independence], a movement which disturbs security. According to Gen. Try Sutrisno, the initial cause of the incident was that Fretilin remnants stirred up the people until there was a disturbance. He said: "It did not start with the Indonesian Armed Forces."

After visiting an exhibit on 12 November of the results of the 1990 National Economic and Social Survey (SUSENAS), held at the main building of the Indonesian State Secretariat, Gen. Try Sutrisno, the commander of the Indonesian Armed Forces, stated that the government will conduct a full investigation to determine who caused the disturbance in Dilli. The disturbance resulted in the death of a number of persons, one of whom was Major Gerhan Lantara, deputy commander of Battalion 700. He was stabbed or hit on the head.

According to Gen. Try Sutrisno, the incident was very brutal. They (those causing the disturbance—Editor's note) threw stones at stores and police stations, and even attacked government officials.

The commander of the Armed Forces said that as a result of the incident shots were fired to restore the situation. This was because those responsible for the incident paid no attention to preventive action, involving sympathetic and persuasive steps to calm things down which had previously been tried. Furthermore, a number of weapons were taken from those causing the disturbance. These included G-3 weapons (rifles), grenades, and sharp instruments. The commander of the Armed Forces said:

"We ourselves had tried persuasion and being careful. We tried to avoid what later happened. However, it turned out that this could not be prevented. If we are provoked, and particularly if people have been killed, we can imagine what went on. Now this is something which we regret."

He said that what was regrettable in the incident is that lives were lost. He said again: "So whatever happened, we regret it. For that reason we will conduct a full investigation in accordance with our status as a nation of laws."

The commander of the Armed Forces provided details on the disturbance, which began at 0700 local time at Motail Church, where people were attending Mass. Later a large group of brutal toughs moved toward the Office of the Governor and Hotel Turismo.

As they moved along they behaved in an improper and brutal way. He said: "Automatically, when there is this kind of disturbance, we try to calm it down by the persuasive approach. You know that up to this point we continued to hold ourselves back. We continued to try to act in as sympathetic a way as possible." However, the crowd turned ugly, and the atmosphere was becoming increasingly tense. Therefore, there was no other alternative than to use force.

Gen. Try Sutrisno said: "Following our established procedure, we begin with warnings, persuasion, shouts, and warning shots in the air. And it turned out that the situation still did not calm down. Now this could not be tolerated. If the security services are attacked, the last step to be taken is that we must deal with the situation, whatever the risks. And the result is that the situation has been brought under control. For that reason I call on the people to be calm."

The commander of the Armed Forces continued: "We very much regret the incident. However, we must also be aware of the original intentions of the gang of toughs. Repressive action was taken twice, that is, after the incident began at Motail Church on 28 October. The toughs caused fighting among the people, with the result that two persons were killed."

According to the commander of the Armed Forces, it seems that they [those causing the disturbances] will undertake this kind of action whenever foreign visitors come. And in fact this time there was a person visiting East Timor from Amnesty International, whose headquarters are in London. Therefore, it seems that those who caused the disturbance wanted to exploit the visit.

Arrested

The commander of the Armed Forces called on the people to be calm, not to allow themselves to be stirred up easily, and not to be made the victims of untrue reports.

Furthermore, the commander of the Armed Forces asked the community, and particularly members of the church, to be vigilant and on guard. Do not let a holy place like a church be used for harmful activity (to destroy things—Editor's note). He stated: "Guard your church. Do not let it be used for improper purposes."

He continued: "Is not the church a place for teaching the right things? However, if criminals use a holy place as a 'rendezvous,' what happens then?"

He stated: "It would be too bad if later on we screen people going to the church. In this connection we have high respect for the life of the community, nation, and religious groups in this country of the Pancasila [Five Principles of the Nation]. Therefore, I urge care. Do not let a holy place be used for other things."

Speaking to church leaders in particular, the commander of the Armed Forces asked them to be vigilant and not to allow the church to be used for activity which leads to disturbances.

The commander of the Armed Forces said that several tens of people have been arrested for causing a disturbance.

Regarding the number of people killed in the incident, Gen. Try Sutrisno said that for the time being he was quoting from what was reported by the commander of the Udayana Military District. However, it is possible that the total number is higher.

However, the commander of the Armed Forces denied reports in the foreign press that 100 persons were killed. He declared: "That is not true. If 100 people were killed, the wounded might total 100 also. If the foreign press states that 100 people were killed, that is too much. I am convinced that the number killed was not 100. At the most, put it at 50, with 20 wounded. No foreigners at all were killed."

The commander of the Armed Forces stated that the group causing the disturbance has been reduced in size, because they have not been able to find a place to operate. This is because the Indonesian Armed Forces have carried out operations throughout the territory. There are no members of the group in the jungle, so they have spread their efforts to the city. And it is there that every time there is a visit, it can be used in a variety of ways, to make a "show."

Asked whether, for a short time, travel to East Timor will be limited, the commander of the Armed Forces declared that there are no limitations. He said: "Go ahead, you can go there. If I go there later on, you can come with me. At Christmas time I will make a tour of inspection there. Nothing will happen. This is just a small, brutal group, compared with the other people there, who need peace and quiet to build their lives."

Development Needed

Meanwhile, Clementino Dos Reis Amaral, a member of the FKP [GOLKAR faction in Parliament] who was born in East Timor, said that the "criminal" younger people in the province number no more than 100. However, they need development, because there are cultural differences and an historical background to this affair. Therefore, an unhealthy atmosphere has developed. For that reason government officials must be able to carry out development. The church must also join in the development process so that the younger generation is not exploited by those causing disturbances.

Amaral did not raise other matters, such as the fact that many government positions in the province are filled by people from outside Timor. This is because there are provincial offices which came to East Timor, bringing with them all new employees, including office custodial staff. As a result, there are few job openings in the government for the people of East Timor.

Amaral said that for this reason the central government must really pay attention to the representatives of the people, and especially to members of the Provincial Council. For example, the chief of the provincial office of the Department of Education and Culture was removed by the central government. According to the local community, he should have been kept in office. The same problem has come up with government officials in East Timor who are not suitable but who have been kept on by the central government. He said: "East Timor is not a dumping ground for people whose presence in office is harmful to the community."

He admitted that, if he spoke honestly, there are many problems in East Timor which need to be resolved because they involve the feelings of justice of the people of East Timor themselves.

Imron Rosyadi, chairman of Committee I of Parliament, said that development is very important for the younger generation. Up to now the younger generation of East Timor has never learned anything about the past question of the integration of the province into Indonesia. They only know that conditions at present are difficult. And they do not know anything about the difference between the present situation and that during the Portuguese period.

Muhamad Hartono, of the Indonesian Armed Forces Faction in Parliament and deputy chairman of Committee I, said that if the incident which took place in Dilli is analyzed, it occurred because of frustrations in connection with the cancellation of the visit of members of the Portuguese Parliament. Perhaps if this is added to other factors, it kindled a very emotional situation. This includes the fact that the deputy commander of the battalion in East Timor was killed. He said: "And we pay a great deal of attention to a situation like that."

Hartono admitted that an emotional situation such as that should not have occurred. However, all of that happened and, finally, in the interest of stability, firm action had to be taken.

Theo Sambuaga, deputy chairman of Committee I, said that the incident could be used by Portugal to discredit Indonesia. In this connection what happened was just an "accident," the result of "mass crowding." This situation must be brought under control by the Indonesian Armed Forces in the interest of the security of development in East Timor.

Theo Sambuaga warned that all concerned must be vigilant about elements who seek to damage relations between the Indonesian Armed Forces and the people of East Timor, which, up to now, have been close and friendly.

Statement by AMPI

Meanwhile, the Central Executive Council of AMPI [Younger Generation for Indonesian Renewal] issued a statement concerning the incident in Dilli, East Timor. It was signed by Widjanarko Purpoyo, general chairman of the AMPI, and L. Freemont Pello, deputy secretary general.

In its statement the AMPI strongly condemned the actions of the troublemakers, who incited and encouraged the young people until an incident occurred which resulted in the loss of life in Dilli, East Timor. AMPI condemned the effort by a group of community leaders who knowingly and in a planned way made use of the younger generation of East Timor for political interests which are clearly in conflict with the concept of a unitary state and the idea of nationalism based on the Pancasila and the Constitution of 1945. Therefore, the AMPI declared that it is necessary for certain groups in East Timor to stop dreaming of political objectives which mean tearing up national unity and the integration of East Timor into Indonesia.

The AMPI invited all elements of the younger generation of East Timor, both those in the province and those outside of it, to look at this incident as a lesson in the whole process of the path to development which is now well under way. Therefore, the AMPI invited all sons and daughters of East Timor to direct their views at the whole problem of East Timorese development and, at the same time, to determine the steps to be taken to resolve the problem of development. The AMPI supports and will actively help any action and effort made to develop East Timor at the initiative of the younger generation.

Officials Involved in Illegal Land Sale

*92SE0052B Jakarta EDITOR in Indonesian 2 Nov 91
p 37*

[Text] These days, land is a point of contention. For example, Seruway Subdistrict Chief Drs. Ali Achmad

Kasih and East Aceh Regent M. Nuh A.R. are accused by citizens of illegally converting 500 hectares of state land in Seruway, East Aceh, to traditional land. Supplied with lists of "original" farmers, officials at the subdistrict level are suspected of selling the land.

In 1990, PT [Limited Company] Parasawita, a company operating in the estate sector, wanted to expand its area by a minimum of 500 hectares. Fortunately, the land it needed was at Paya Udang Village, near the Kuruk River; but it was state land under the control of PT Inecda Seruway Indah, which since 1988 had intended to use it for shrimp ponds.

If land is state-owned, anyone wanting to work it must obtain, among other things, an HGU (business use authority) certificate. Because the procedure is quite complicated, the estate company, which was established in 1962, reportedly chose a "short cut." "They treated the land as though it were traditional land that had been worked for generations," an EDITOR source said.

As subdistrict chief, Drs. Ali Achmad Kasih promised PT Parasawita he would cut away all the red tape hindering the company's desire to control the land. The subdistrict chief soon found it not too difficult to get the names of those who had worked the land. Supplied with the list of names, PT Parasawita paid the compensation owing to the land owners (actually fictitious), thus giving the appearance that the land was being bought from members of the community.

"We handed over all the money to the subdistrict chief, as head of the land transfer team," PT Parasawita Commissioner Kesuma Mutiara told EDITOR. How much? Kesuma did not want to say, but an EDITOR source said the compensation was about 175 million rupiah for the 500 hectares of land. The money was transferred via the Langsa branch of Bank BNI [State Bank of Indonesia] in two payments. "I cashed a check for 80 million rupiah for the first payment," said Farida Hanum, 35, a teacher trusted by the subdistrict chief.

One problem, however, was that the deal for the land, which in actuality was only 488 hectares, angered PT Inecda Seruway Indah. The company, which operates in the hatchery and cold storage sector, finally sent a complaint to Post Office Box 5000 at the end of March 1991. "There is no one but the vice president to complain to," wrote Benny Djuarsa, deputy chairman of the PT Inecda board of directors.

Benny's letter apparently received a response. The assistant to the vice president for administrative affairs asked Aceh Governor Ibrahim Hasan to investigate the validity of the complaint and to send a report to Jakarta immediately. The governor promptly ordered the Provincial Inspectorate to investigate the case.

What happened? EDITOR's source said East Aceh Regent Colonel (Infantry) M. Nuh A.R. objected to a comprehensive investigation of the case. In fact, the source said, on 21 August 1991 the regent directed one of

his officials not to discuss the case involving the subdistrict chief with the East Aceh Regency Inspectorate. Is that true? "It is the responsibility of the inspectors to examine and investigate cases. If not, why are they paid big salaries?" M. Nuh said.

The issue, according to the East Aceh regent, is not whether to investigate and interrogate the Seruway subdistrict chief. "Elections are close, and the subdistrict chief is a leader who is much respected by the community. If this becomes a cause célèbre, there will be confusion," the regent explained.

According to one source, however, the East Aceh regent objects to the Seruway subdistrict chief's being investigated. The chief is reportedly one of Nuh's favorites, and the regent has no doubt as to his credibility. In fact, the East Aceh regent is said to be one of those who enjoyed the proceeds of the land sale. "Oh, that's not true. Just ask the subdistrict chief when he ever gave money to me," M. Nuh said to EDITOR.

The East Aceh regent said that there is actually no fundamental problem in this land case, for PT Inecda Seruway Indah itself did not yet have a permit for working the land. All that has happened, he said, is that the shrimp pond company filed an application for converting the forest land to estate and pond land. The permit had never been issued, however. "So, on what basis was the land their property?" asked M. Nuh, who has been regent for two and a half years.

Clearly, this case has become serious. Whatever happens, these two officials must answer for their actions. As this report is being written, no confirmation has been received from the Seruway subdistrict chief.

ECONOMIC

Cooperation With Australia Announced

92SE0050C Jakarta *BISNIS INDONESIA*
in Indonesian 28 Oct 91 p 5

[Text] Jakarta (BISNIS)—PT [Limited Company] Telekomunikasi Indonesia and Telecom Australia have agreed to cooperate in developing human resources and research in the field of telecommunications.

A memorandum of understanding on this cooperation was signed here on Saturday [26 October] by PT Telkom Personnel Director Dada Kustiwa and Telecom Australia Executive General Manager Neil R. Crane.

This cooperation, which will last for two years and may be extended, will include exchanges of information on company leadership and management, technical education and training, research and development, service, marketing, and maintenance.

Dadad said the basis of the agreement is the desire of both parties to expand and enhance cooperation that will assist in the development of high technology.

He said he hopes Telecom Australia will share its experience with Indonesia, particularly in anticipation of public demand for telecommunications facilities in Indonesia.

Telephone Projects Face Delays

92SE0050B Jakarta *BISNIS INDONESIA*
in Indonesian 28 Oct 91 p 5

[Text] Jakarta (BISNIS)—PT [Limited Company] Telekomunikasi Indonesia is now deliberating whether or not to proceed with the construction of 360,000 SST's (telephone connection units) during REPELITA [Five-Year Development Plan] V as an effort to reach the target of 2.1 million SST's, PT Telkom Development Director Suratno says.

He says the construction of the 360,000 SST's faces rescheduling because it uses foreign commercial loans and therefore cannot be implemented until early in REPELITA VI (1994-1995).

"Right now we are thinking about how to build the 360,000 SST's with domestic funds," Suratno said on Saturday [26 October] after a press conference on the new PT Telkom logo.

He said PT Telkom is still discussing the financing problem with six private companies that are its partners in PBH (profit sharing) projects II and III.

PBH II and III cover the construction of 390,000 SST's. PBH II has 190,000 SST's located in Jakarta, Surabaya, and Bandung. PBH III has 200,000 SST's, all of which are to be in Jakarta. "Total investment in PBH II and III is 949 billion rupiah," he said.

PBH II will be performed entirely by PT Telekomindo Prima Bhakti. PBH III will be implemented by six companies: PT Wahana Esa Sembada, 35,000 SST's; PT Elektrindo Nusantara, 35,000 SST's; PT Bakrie and Brothers, 35,000 SST's; PT Wahana Komunikatama, 35,000 SST's; PT Telekomindo Prima Bhakti, 25,000 SST's; and PT Elektrindo Komunikasi, 35,000 SST's.

Suratno said the projects, which will not be realized until 1992 or 1993, need foreign currency of \$220 million for PBH II and \$226 million for PBH III.

"These two projects are the largest of all telecommunications construction projects in REPELITA V," he said.

The targeted construction of 1 million SST's per year in REPELITA VI, which will entail foreign investor participation in large-scale telecommunications construction, will have to be postponed, Suratno added.

On 14 September, Soesilo Sudarman, minister of tourism, post, and telecommunications, inaugurated the operation of the 53,000 SST's under PBH I, which is centered at the Gambir STO (automatic telephone exchange).

Five private companies built PBH I with an investment of 100 billion rupiah.

The five [as published] companies are: PT Wahana Komunikatama, 5,000 SST's at the Slipi STO; PT Bakrie Electronics Co., 5,000 SST's at the Gandaria STO; PT Wahana Esa Sembada, 5,000 SST's at the Rawamangun STO; PT Erakomindo Puranusa, 5,000 SST's at Jakarta City STO-1; PT Wahana Esa Sembada, 5,000 SST's at the Klender STO; PT Erakomindo Puranusa and PT Wahana Komunikatama, 14,000 SST's at the Gambir STO 1-F; PT Elektrindo Nusantara, 5,000 SST's at the Tebet STO; PT Erakomindo Puranusa, 5,000 SST's at the Bekasi STO; and PT Wahana Komunikatama, 4,000 SST's at the Palmerah STO.

Financial Institutions Face Big Losses

92SE0050A Jakarta *BISNIS INDONESIA*
in Indonesian 28 Oct 91 p 1

[Text] Jakarta (BISNIS)—At least eight LKBB's (non-bank financial institutions) face a potential loss of nearly 50 percent (or 87.2 billion rupiah) and are threatened by lower profits for this year.

A BISNIS source in a jointly owned securities house said that potential loss is faced by eight LKBB's: PT [Limited Company] Indovest, PT Ficorinvest, PT Interpac, PT Multicor, PT Merincorp, PT Finconesia, PT Aseam, and PT MIFC. Losses could reach 87.2 billion rupiah, or 50 percent of their marketable securities.

According to their books as of 30 June 1991, the marketable securities positions of the eight LKBB's totaled 174.4 billion rupiah. PT Indovest had the largest position, with 33.5 billion rupiah. It was followed by PT Ficorinvest (28.4 billion rupiah), PT Interpac (28.2 billion rupiah), PT Multicor (26.6 billion rupiah), PT Merincorp (24 billion rupiah), PT Finconesia (13.8 billion rupiah), PT Aseam (12.2 billion rupiah), and PT MIFC (7.7 billion rupiah).

The source estimated a potential loss of 50 percent because although these LKBB's normally hold at par value stocks they have underwritten, the prices of some of those stocks have fallen below par.

Moeljono Malik, principal director of PT Putra Surya Multi Finance, acknowledged that on-going bearish market conditions have battered the LKBB's. "While the market was booming, they received substantial amounts in underwriting fees, but now that the market is quiet it is generally hard for them to earn anything there," he said.

According to calculations by BISNIS's research and development staff, the eight LKBB's face a potential loss of about 40 percent, or 69.76 billion rupiah, from portfolios of 174.4 billion rupiah.

The 40-percent figure was reached by assuming a drop of 11 percent below the decline in the IHSG (combined share price index) from the end of June through the end

of last week. During that period, the IHSG fell from 346.266 on 28 June to 229.602 on 25 October, a decline of 51 percent.

Profits Fall

Almost all the eight LKBB's, which are active in the negotiable securities field, have suffered profit declines this year. Their fee revenues have fallen sharply because of the weakness of the Indonesian stock market.

Although their incomes from broker commissions and underwriting fees were second to interest income in the previous year, the portion contributed by these commissions and fees was considerable. That income fell sharply, as illustrated by the experience of PT Ficorinvest, which suffered a drop from 11.944 billion rupiah as of June last year to 1.046 billion rupiah this year.

According to financial reports as of 30 June 1991, the profits of most LKBB's were less than in the same period last year.

PT Ficorinvest, which at 11.7 billion rupiah had the biggest net profit at the middle of last year, has now been able to achieve a net income of only 6.4 billion rupiah.

PT Indoinvest followed with a fall from 6.8 billion to 4.4 billion rupiah; PT Multicor, from 5.2 billion to 904 million rupiah; PT Merincorp, from 4.5 billion to 1.6 billion rupiah; and PT Finconesia, from 1.7 billion to 1.3 billion rupiah.

PT Interpac, however, was quite strong and was able to increase its profits as of 30 June from its previous 5.2 billion rupiah to 6.1 billion rupiah.

Still, that net profit is not guaranteed, because most of the LKBB's face an average potential loss of 40 percent.

Ficorinvest's Losses

The LKBB in the most alarming situation is PT Ficorinvest. Besides having the second largest portfolio of marketable securities, it also has a stock repurchase commitment of 51.451 billion rupiah to Mitsubishi Bank of Singapore, according to another BISNIS source.

The finalization of the repurchasing commitment in August caused Ficorinvest to lose 21.2 billion rupiah. If that figure is assimilated into profit and loss calculations as of the end of June, the company will have losses of 11.3 billion rupiah.

Analysts view the losses suffered by the LKBB's in their stock portfolios as the result of inadequate activity and deficient business management.

"I see that most of the LKBB's were not active in trading their stocks. As a result, when stock prices dropped, their potential losses ballooned," said Haymans Manurung, an analyst with PT Arya Prada.

M. Hasan, managing director of PT Multicor, acknowledged that his company has suffered losses in its stock

portfolio, which dropped from a value of 14.3 billion rupiah in June to 13 billion rupiah in September.

Hasan said his company had not put funds aside as a reserve against a drop in stock prices, as other companies had done.

That strategy was used by PT Inter Pacific. Supari Dh., the company's principal director, once told BISNIS that management had prepared a fund in anticipation of falling stock prices.

That may have been the reason that the company earned convincing profits.

Several other people believe that the potential losses faced by the LKBB's are a result of their obsession with underwriting the stocks of companies "going public," only to find the stocks would not sell. They were therefore compelled to "eat" the stocks not absorbed by the public.

According to the BISNIS source in the securities house, underwriters should not hold their portfolios very long when the stock market weakens.

"They should have sold those stocks on the day of the first listing, as was the case with several underwriters that are joint ventures with the Japanese. Those companies do not have a single portfolio in their financial position," he said.

Because the LKBB's who underwrite stocks here are embarrassed to sell securities of the companies they underwrite, they themselves "drown," he said.

After PT Astek suffered a potential loss of about 58.5 billion rupiah in September, the situation spread to the LKBB's, whose presence on the stock market has been needed up to now.

Statistics Show Decrease in Poverty

92SE0081A Jakarta EDITOR in Indonesian 16 Nov 91
pp 70, 71

[Article by Totok Amin Soefijanto: "Where Do You Stop on the Edge of the Poverty Level"]

[Text] The number of poor people is declining. The most recent data show that during a three-year period (1987 through 1990) the total number of Indonesians who still live below the poverty line has declined by about 2.8 million. Or, more precisely, the level has declined from 30 million to 27.2 million people. Really, this is fair enough, because if we work out the average number of poor people who rise "above the poverty level," it is nearly 2,600 people per day. This is good news for businessmen, because a market which was previously only potential has emerged as an actuality. It is also encouraging news for the government, because in political terms the government of the New Order [the period since the overthrow of the Sukarno Government in 1967] has succeeded in realizing its dream of economic development up to now: raising the poor to live a proper life.

However, it turns out that this "good news" did not immediately make the government break out in cheers. President Suharto said, when he received the good report on the poverty question from Dr. Azwar Radjid, the chairman of the BPS (Central Office of Statistics) at Merdeka Palace on 12 November, "Do not rejoice too soon, because there are still many other measurements which can be used."

Azwar stated that the definition of the poverty line which is used by the BPS is per capita income of 20,614 rupiahs per month for "people living in the cities" and 13,295 rupiahs per month for "people living in the country." As a result, the poverty line described by the BPS in the 1990 National Social and Economic Survey in fact is very low, because realistically it is very difficult to live on an income of 687 rupiahs per day in the cities or even in the villages on 443 rupiahs per day. To buy even the simplest meal of cooked rice at a coffee shop, this income is not sufficient to meet the normal frequency of "eating three times a day."

The data on poverty provided by the BPS still has many weaknesses in it. Sutjipto Wirosardjono, the deputy chairman of the BPS, has said: "Our objective in fact was to survey the level of average distribution of income, based on per capita income." The present, per capita income of \$500 is rather high, in fact. However, this cannot indicate its distribution. According to him, it may only be concentrated at one place.

To reduce statistical errors, the BPS then prepared questions to bring out honest answers and evaluated them with a weighted, random sampling system. For example, it is based on a balance of 29 percent of those questioned in the cities and 71 percent in the country.

Professor Sayogyo told an EDITOR representative: "The BPS is only using one line, that is, enough food to provide 2,100 calories per day." This expert on agricultural social and economic affairs who has just retired from the Faculty of Agriculture of the IPB [Bogor Agricultural Institute], considers that a poverty line based on sufficient food must be reviewed every five or 10 years and be steadily updated. He said: "The standard of food alone is not enough." He proposed that the BPS also review social and political aspects, such as education, the opportunity to study science and technology and take part in influencing government policy, or freedom to attend cultural performances.

According to Professor Sayogyo, the World Bank also measures poverty with three lines. That is, one line is for those who are only able to obtain less than 80 percent of normal caloric requirements, another line for those who are able to obtain less than 90 percent of normal caloric requirements, and another line for those who can obtain 100 percent of normal caloric requirements, plus a sufficiency of non food needs. Professor Sayogyo suggests that after obtaining these totals the BPS should measure persons below the poverty line in greater detail, including their living conditions, job, and personal life.

Until now the government has never been able to adopt a priority program to help people to overcome poverty. Sayogyo suspects that the reduction in the number of poor people over the past three years has only occurred in the highest level of this group. The professor, who has developed the Sayogyo "Poverty Line," said: "If we use more parameters, the results will be more detailed, and we can give priority to help those who are most affected, in a more orderly way."

Professor Mubyarto, chief of the P3PK (Center for the Development of Village and Regional Research) at the University of Gajah Mada, hopes that all concerned are not closing their eyes to the fact that, in reality, the number of people who are still poor is rather large, and efforts to reduce their numbers will be increasingly difficult in the future. For example, he said that even peasants who have been freed from poverty can slip back below the poverty line when the dry season is prolonged. The professor, who originated the idea of a "Pancasila [Five Principles of the Nation] Economy," said to an EDITOR representative: "This means that the economic staying power of the common people is not yet very secure and must still develop further before it is really well established."

Mubyarto said that there are ironic aspects to this. This is because, according to him, the rate of reduction in the percentage of people under the poverty line—which declined from 17.42 percent to 15.08 percent of the total population—is not in balance with economic growth, which is high. He concluded that economic growth is not an answer to the problem of poverty.

Indeed, the poor people who live in the cities and who, it should be noted, are familiar with using money, do not immediately benefit from encouraging economic growth. BPS data shows that there 9.4 million poor people in the cities (The figure was previously 9.7 million.) and 17.8 million in the countryside (previously, 20.3 million). The decline in the number is larger in the countryside. According to Professor Mubyarto, the number of poor people in the cities continues large, because of the flow of poor people from the countryside to the cities. More specifically, according to Sutjipto Wirosardjono, deputy chief of the BPS, "Those who move to the cities are usually those from the countryside who are already very poor. They already have nothing." Furthermore, Professor Sayogyo says that this situation is a result of the changing view that sufficiency for residents of the cities involves not only food but also education, recreation, and other needs.

According to Sutjipto, the BPS really hopes that there will be contributions from other experts. Furthermore, this institution really wants to develop the data on poverty into more detailed data on levels of income. Sutjipto complained that data on just the social classes with high levels of income has not yet been analyzed. Therefore, in the near future the BPS will work together with the Directorate General of Taxation to obtain more complete income data. He said: "We can still continue to ensure the secrecy of this tax data."

Rice Shortage Results in Illegal Border Crossing

92SE0037A Bangkok *KHAO PHISSET in Thai*
7-13 Oct 91 pp 48, 49

[Article by Midet Techo]

[Excerpts] Savannakhet Province, which is the second largest province after Vientiane Province, agreed to allow private individuals to buy 4,000 tons of glutinous rice from abroad and sell it to the people at a low price after the flooding began to subside at the beginning of September. This rice will definitely be purchased from Thailand and will be purchased through the Mukdahan or Nakhon Phanom chamber of commerce.

For the past two years, Vietnam has sent cheap glutinous rice to help Laos. That was low-quality rice that was sold at Indochina friendship prices. But this year, Vietnam's rice yields were down sharply, too. As for the Thai rice sold by the chambers of commerce in border provinces, Laos, particularly the provincial administrative committees, have complained that the price of this rice is too high. But the provincial chambers of commerce have said that Thailand's rice is expensive because its quality is good.

At the border trading points, Lao people buy rice by the "mun" [1 mun equals 12 kg] at a cost of 8-10 baht per kg, or 100-120 baht per mun. The Lao people living along the border who do not have any money to buy rice frequently slip across the border and ask their relatives on the Thai side for some rice in order to survive. They and their neighbors cannot afford to buy rice at a cost of 700-800 baht per gunny sack. They have to ask for a few kilograms of rice and take it back to feed their families.

This year, the Lao Communist Party Central Committee has lifted the restrictions on the people and allowed them to travel freely. Thus, large numbers of Lao people have traveled to Thailand. Similarly, Vietnamese people living in Laos have had to secretly cross into Thailand in order to find work. Otherwise, they would starve. The Thai police simply expel them from the country. Because if they were detained, it would take months to resolve their case in court, and that would cost Thailand hundreds of thousands of baht a month. Sometimes, state officials there are not paid for three to six months. [passage omitted]

A state official from Savannakhet Province said that the budget funds of the Lao Communist Party Central Committee are used in monitoring the resistance groups based outside the country, such as exiled Lao politicians living in the United States, Canada, Australia, and France, and right-wing military groups based in various provinces throughout the country following the failed coup in the Soviet Union. A large number of spies of the Indochinese Communist Party are traveling abroad posing as businessmen. There are even a large number in Bangkok who are working to eliminate their political enemies, using KGB techniques. This is a very complex matter and is difficult to discuss. [passage omitted]

The smuggling and sale of rice to people in Laos is increasing. Drugs such as marijuana, raw opium, and heroin will be exchanged for rice all along the border before the end of this year's harvest season. Cattle and buffaloes are smuggled into the country, too. These things generate huge profits for the influential financiers and Thai officials in these areas.

Cheap drugs are smuggled across the border and sold to laborers in Bangkok and the surrounding areas. This leads to crime, because these people need money to support their drug habit. Last December alone, 42 Yamaha motorcycles were smuggled across the border and sold in Savannakhet Province, and 3 tons of food seasoning were smuggled across the border.

The chambers of commerce along the border are probably making preparations to export rice to Laos. Rice prices will probably improve, which will affect rice yields in those areas. The various provinces in Laos probably won't be able to purchase high-quality rice because of the economic and financial problems there. As for foreign investment, Laos still doesn't have an investment law. The laws that were promulgated have all been revised. It's as if all the capitalist-type laws have been abrogated. Almost all the investors now in Laos are Japanese investors. It's Japan that is providing help with the various development projects, such as power generation from small dams and telecommunications. Used vehicles are being imported in exchange for timber concessions. Lao timber exports are declining rapidly. Forests are rapidly being felled using mechanized means. A timber merchant with business dealings in Laos said that within five years, about 80 percent of the forests in Laos will have been destroyed.

In Laos, there is little rice to eat because of the floods there. Thais, who are having problems exporting rice, should take action.

Report of Interview With Minister of Foreign Economic Relations Phao Bounnaphon; date and place not given.
[passage omitted]

"Based on initial forecasts this year, rice production in Laos will decline approximately 30 percent as compared with last year. Thus, it's possible that Laos will need up to 200,000 tons of rice. The Lao government has taken steps to deal with this problem." The immediate problem is to ensure that the Lao people have sufficient glutinous and nonglutinous rice for consumption.

"We must ask neighboring countries and the international Red Cross for help. As for long term solutions, we will have to stress preparing public services, particularly irrigation within the country. We have not expanded this in time. We will also have to increase the cultivated area in the highlands areas and step up production during the dry season in order to increase rice and vegetable yields to meet the needs of the Lao people. And if agricultural yields are greater than expected, we may be able to export the surplus."

But as for the actual figures on today's shortages, Laos will have to wait for the results of the rice harvest in the highlands areas at the end of October and the beginning of November. Laos is now buying glutinous rice from Thailand at a price of 250 kip, or approximately 10 baht, per kg.

As a result of the recent heavy flooding in Laos, the Thai and Canadian chambers of commerce are coordinating things and providing help in opening markets and promoting investment in Laos. The government has assured all foreign investors that political problems will not pose an obstacle to investment.

"Private individuals are free to invest here in all sectors, including public service sectors such as water, electricity, and communications. The only exception is timber operations. We have stipulated that the forests are to be closed for six months, and we have formulated a plan to have the 15 existing forest concessions cease operations temporarily. This will give us a chance to conduct a survey and determine timber felling capabilities. And we must stipulate that trees must be planted to replace those felled."

In conclusion, the minister gave some hope to investors, saying that even though the forests will be closed temporarily, the concessions that presently have contracts with the Lao government will be maintained.

POLITICAL

Sarawak Dayak Party Complimented on New Policy

92SE0055A Kuala Lumpur BERITA HARIAN
in Malay 1 Oct 91 p 10

[Unsigned editorial: "Latest PBDS [Sarawak Dayak Party] Political Step"]

[Text] Politics is an art in which anything is possible. A friend today may be an enemy tomorrow, or vice versa. This is normal everywhere and in any political system. Political developments in Sarawak since the curtain fell on state elections on Sunday night [29 September] are no exception. Sarawak is still "shooing away the political birds." The people have decided. Now it is the turn of the politicians, both winners and losers, to carry out the mandate given by the people. This time it is the turn of the PBDS (Sarawak Dayak Party) to evaluate its politics. With great interest we look at the calculations behind that evaluation and their effect on the national political atmosphere.

The most important thing to be considered at this point is the effect of the PBDS's political direction on national politics generally and on National Front [BN] politics in particular. We want to investigate the effect of allowing a party to support national political aspirations while at the state level remaining free to criticize state and federal policies. Does this conflict not haunt the BN's political system? In this connection, we believe serious attention should be given to BN Secretary-General Ghafar Baba's opinion that new regulations on this situation must be created. For the sake of more meaningful and permanent political stability, this short-term political issue should be reviewed and a more permanent formula found to resolve it.

The State National Front, or BN3, is facing a new political step made by its opponent, the PBDS. After announcing its loss in the election, the PBDS suddenly changed its political approach. After promoting the Dayakism philosophy, the PBDS wants to come home to the BN3. Its stated reason still has the smell of politics: political stability in Sarawak.

A few hours after the people made their final decision on the political pattern and approach they want, the PBDS buried its 1992 KMS (Sarawak Chief Minister) Project and accepted the fact that its political strategies and approaches for winning the government were wrong and unacceptable to the people. Congratulations to PBDS leaders for their awareness of this and for their willingness to be open and to change their direction for the sake of the people.

As Chief Minister Tan Sri Haji Abdul Taib Mahmud declared, however, strict conditions should be placed on any PBDS move to reassume its position as a BN3 associate. The question the BN3 faces on this issue is quite complicated. Within a few hours of the decision to

end the war with the opposition parties, including the PBDS, the BN3 had to consider the effect of rejecting its fiercest opponent's request to realign itself under the BN umbrella. A fact that cannot easily be ignored is that the popular vote for the PBDS increased, from 17.63 percent to 21.84 percent, or 25,388, of those who cast votes in the election on 27 and 28 September. If it is assumed that most PBDS votes came from Dayaks, particularly the Iban, this shows clearly that Dayakism is expanding in the state.

For that reason, the BN3 needs to think about the effect of leaving the PBDS outside the BN3. Would that strengthen Dayakism, or cause it to fade? The BN3 also needs to consider the effect of the PBDS's becoming a BN3 associate. Will Dayakism gather new power and influence (assuming the BN3 itself is the voice of Dayakism) in the BN3? Or, with Dayakism in the BN3, would BN3 members prefer to rein in political views like Dayakism and keep them from spreading? It will be interesting to see how Tan Sri Taib's political ideology of development will be tested by this latest PBDS political step. When we look at his record, we believe he and the BN3 will be able to handle this issue with patience and effectiveness.

ECONOMIC

Mahathir Says Country To Build Planes by 2020

92SE0058B Kuala Lumpur UTUSAN MALAYSIA
in Malay 11 Oct 91 p 26

[Text] Jitra, 10 Oct—Prime Minister Datuk Seri Dr. Mahathir Mohamad says that by 2020 Malaysia will be a developed country able to build its own aircraft and rockets.

He says this is not an impossibility, because Malaysians are not different from the white people of the more developed countries.

"This is not an impossibility, for we are planning for the future. God determines the future, however," he said today as he received thunderous applause from about 10,000 people at the Padang National Youth Vocational Institute here.

He said this at a meeting inaugurating the Malaysian Concern Program at the national level, the National Youth Vocational Institute at Jitra, and the Youth Association of Kedah State.

The prime minister said that if the developed countries can create and build aircraft and rockets themselves, there is no reason Malaysia cannot do the same.

"God willing, one day we ourselves will be able to build rockets. This is not something impossible if the people have enthusiasm and high aspirations," he said.

The important thing, the prime minister said, is that the people must have high aspirations, show great discipline, work hard, and be responsible for fulfilling the 2020 Plan.

The prime minister said government departments should be frugal in the way they hold official meetings.

He said that under the country's financial limitations, government departments need to use their allocations in the best possible way to achieve maximum results.

At the same time, he praised the Kedah Government for holding three official programs at the same time to reduce cost.

The prime minister called on the people to bring to realization their aspirations for making Malaysia a developed country by the year 2020.

He said it is not impossible for Malaysia to emerge as the 16th developed nation by 2020 if all the people will work hard and compete with countries like Singapore, Taiwan, and South Korea.

He said that so far only 15 out of 190 countries in the world have reached the developed stage, while the rest are still developing or moving backwards.

"We plan for 30 years because we are human beings who have been given a mentality different from that of animals, which do not need to plan to live," he declared.

By saying this, he criticized groups who feel that since God determines everything people do not need to plan.

Datuk Seri Dr. Mahathir stated that without planning man will always fail in whatever he does.

"If we go to war, for example, we need to plan every action and strategy rather than attack blindly, for we would be certainly destroyed by the enemy if we did that," he asserted.

"The government makes plans because it takes seriously the future development of the people and the resolution of problems we face," he said.

The government therefore has launched the Malaysian Concern Program to teach the people to be serious about everything they do.

Failure To Achieve Incorporation Lamented

*92SE0058D Kuala Lumpur UTUSAN MALAYSIA
in Malay 14 Oct 91 p 6*

[Article by Dr. Shamsul Amri Baharuddin, professor in the Department of Anthropology and Sociology of the Malaysian National University at Bangi: "Corporate Elite, Bureaucracy Not in Agreement"]

[Text] Since the early 1980's, Prime Minister Datuk Seri Dr. Mahathir Mohamad has proposed the formation of

an entity called "Malaysia Incorporated" as the main condition for making Malaysia a developed country founded on industry.

In other words, he has seen the importance of establishing close cooperation between the bureaucracy, the government, and businessmen. So far, however, this cooperation has not taken place. If any exists, it is too little and ineffective.

It is my opinion that the bureaucratic elite, the government, and businessmen still do not agree on the form of "corporate culture" they desire for Malaysia.

There are corporate groups owned exclusively by Malays which spent millions of ringgit on foreign consultants to devise a suitable "corporate culture" model that these corporations can cultivate in their operations. Imagine trying to concoct a "culture" in that way!

I am reminded how people are scolded because they depend too much on the government for subsidies to make up for their lack of capital. Apparently even our corporations depend on foreign consultants for ideas to make up for their dearth of ideas!

This situation is quite depressing, since this corporate circle is considered to be the front line, the initiators and pioneers leading the way to make the "2020 Plan" and the concept of "Malaysia as a developed country" into concrete realities. It is distressing that even they are still unable to find anything constructive.

I feel their problem is a perception that is still a conservative one as they seek features that must be stressed in the building of "Malaysia Incorporated."

For example, the "brain drain" problem—or the migration of experts and intellectuals from the public to the private sector, or from Malaysia to other countries—is exaggerated. The recent question of a UKM [Malaysian National University] doctor who migrated to the private sector is an appropriate example to study.

This would not be a problem if bureaucracy, government, and business would change their out-of-date attitude toward the "brain drain."

For example, they must view the doctor as a special national commodity to be shared for the benefit of all, rather than making him a prize for the sake of satisfying the interests of one party. The name of that principle is greed.

Therefore, the private circle interested in the doctor should talk with the university to devise a means by which the doctor's special skills can be used for private commercial interests while at the same time imparting those skills to medical students. Discussions on sharing his services and on remuneration can be done with goodwill if both parties are serious about the "Malaysia Incorporated" concept.

The same is true if this doctor should be won over by a foreign corporation or institution of higher learning. We realize, of course, that in the corporate world national geographic boundaries do not exist. We certainly are aware that a television assembled at a factory in Japan contains hundreds of small parts made in other plants throughout the world.

Therefore, if the skills of this doctor are so valuable, certainly we (the Malaysian Government, bureaucracy, and business) can do something to permit the doctor's expertise to be shared by everyone, whatever the cost may be. For example, he could work six months overseas and the next six months in Malaysia.

That such a method is not considered is distressing. We talk more than we act. This is one of the critical issues faced by both corporate and noncorporate circles in Malaysia. They should be the pioneers, but they appear to be frustrating the effort to make the "2020 Plan" a success.

I think we want to make the "2020 Plan" a reality. We have been ready since 1981, when Datuk Seri Dr. Mahathir became prime minister; since the "Look Toward the East" policy was launched; and since the first Proton Saga car sped down the highways of our country.

As far as I know, no one has escaped the net of aspirations cast by Datuk Seri Dr. Mahathir, whether government, private sector, or individuals.

Negeri Sembilan Most Developed State by 2020

92SE0058C Kuala Lumpur BERITA HARIAN in Malay 1 Oct 91 p 15

[Text] Seremban, 30 Sep—Negeri Sembilan will emerge as the most developed state before the year 2020 because of its location near the Klang Valley, says State Government Secretary Datuk Shamsuddin Md. Dubi.

He said that in the next five years, Negeri Sembilan's economy will change as investors choose the state for their investments.

The unemployment rate in the state is expected to fall by 3 percent by 1996 because of a more aggressive program to create industry, he stated.

He said 72,000 jobs will be created in the industrial sector, and 1,200 hectares in new areas will be opened in the next five years.

"The present unemployment rate is 5 percent, but I believe that in five years everyone in this state will find work," he said this morning in a seminar on "Dedicated Service As the Year 2020 Approaches."

During the same period, Datuk Shamsuddin said, jobs in the services and industrial sectors will increase by 40 percent each, while jobs in the agricultural sector will increase by 20 percent.

He said agricultural jobs now make up 50 percent of the total; industry, 30 percent; and services, 20 percent.

He said that during the same period rubber-related agriculture will no longer be important.

"We will emphasize manufacturing and food processing," he explained.

Datuk Shamsuddin said that all government offices must therefore cooperate with each other and must avoid corruption, which keeps investors from coming to the state.

He said that to keep down expenses he is ordering all office chiefs to refrain from holding inauguration ceremonies.

Northern Triangle Development Applauded

92SE0057A Kuala Lumpur UTUSAN MALAYSIA in Malay 14 Oct 91 p 6

[Article by K. Ragupathy, researcher at the Malaysian Institute for Strategic and International Studies: "Benefits of the Northern Development Triangle"]

[Text] The concept of developing the northern triangle has attracted the attention of economic analysts and businessmen, but Prime Minister Datuk Seri Dr. Mahathir Mohamad may be considered the first person to have shown serious interest in the development of that area.

The concept for the development of the triangle displays an increasingly mature political outlook by the three countries involved—Malaysia, Indonesia, and Thailand—and promises unusually rapid economic growth for that area in the future.

A principle underlying the growth triangle concept is the "end of geography." This means that the separation of areas because of physical geography no longer applies and is out of date. Our idea of the earth's surface in terms of physical geography needs to be changed in response to the explosion of communications networks.

The world has been undergoing radical changes in political geography. The economic and financial world has also experienced a complete reordering because of the freer flow of capital across national boundaries and the shifting of normal market and stock exchange operations to the television screen.

There are two other factors that encourage the growth of development regions:

First, multinational corporations have recently given more emphasis to a strategy of rationalizing trade operations. Most multinational corporations are now more interested in focusing their foreign capital investment in a few selected regions rather than widely distributing their operations in a number of geographic areas of the world.

Thus, the capitals in such a development region will become service and coordination centers for the countries in the region. As an effect of this strategy change among multinationals, competition for the investments of these corporations is now a competition among centers in a region rather than competition among countries.

Second, besides the growth of multinational corporate operations, large local organizations now have activities that transcend national borders. Among the examples of such private organizations are Sime Darby and the MMC Group in Malaysia and Siam Cement and Saha Union in Thailand.

Third, when such private firms expand their operations by "internationalizing" them, such activities usually cross borders and overflow into neighboring countries.

In this process, strategic partnerships and alliances are made, and investments across national borders are expanded. All such activities will further enhance the growth of the development triangles.

In Malaysia, the northern development triangle project includes Pulau Pinang, Northern Perak, Perlis, and Kedah. Pulau Pinang, which has an area of 230,000 hectares, has an estimated population of 1.1 million and a per capita KDNK [gross domestic product] of 4,939 ringgit.

The possibilities for its economic growth in the 1990's are considered very good. The KDNK is expected to grow at about 7.0 percent per year. Manufacturing operations will drive its economic growth, and will be followed by the financial and services sectors.

With its stable and carefully organized infrastructure, Pulau Pinang will be the main center of growth, not only in Northern Malaysia but in the whole triangle. Besides being a tourism center, Pulau Pinang is an international trade center where commercial and banking facilities are quite stable.

The average 1990 KDNK for the other three states in Northern Malaysia were: Kedah (2,600 ringgit), Perak (3,357 ringgit), and Perlis (2,963 ringgit).

Although Kedah now has a rather low growth rate, the state is expected to grow by 8 percent per year, largely because of the rapid growth of manufacturing firms in the Kulim-Sungai Petani area. Kulim has also been identified as a site for high-technology companies.

The growth of Perlis is not expected to be as great, and agriculture is expected to continue playing the main economic role. The principal project in the state is the Integrated Agricultural Development Project, launched in Northern Perlis in 1990 by the Ministry of Agriculture.

In its effort to develop this northern region, Malaysia needs to formulate a strategy for the growth of a development center. Theories on the growth of development centers say that there are two approaches that can be applied:

First, development is not made evenly over a specific region but is focused on several rapidly developing centers. These will always be urban centers, and their development will be so rapid as to overflow to areas associated with them. Such places are known as basic development areas.

Second, a hierarchy of urban centers can be formed throughout the region with the objective of establishing a chain of development areas.

In Northern Malaysia, a basic area is being developed around Pulau Pinang. Other centers now being developed are Alor Setar in Kedah and Kangar in Perlis. Other cities such as Sungai Petani, Sintok, Butterworth, Grik, Kulim, and Jitra can also play an important role as growth centers in the region. Because the security problem has been resolved, areas that formerly were centers of military operations can now be used for economic development and become bases for on-going development.

An interesting example of such a strategy is the development of the campus of the Malaysian Northern University at Sintok. The growth of the university has changed the face of Sintok, which has now become an important development center.

The main economic activity in the border region of Southern Thailand is agriculture, with emphasis on rubber and rice. There are also activities in the fisheries and tourism sectors. The principal industrial activity is the processing of agricultural products.

Under the Seventh Thai Development Plan, the large projects planned for that area are: (a) a deep-water port at Krabi; (b) an oil refinery at Khlong Sai; (c) a deep-water port at Khanom; (d) seven industrial areas at Songkhla, Phuket, Satun, Krabi, Trang, Pattani, and Nakhom-Si-Thammarat; (e) creation of duty-free areas at Satun, Pattani, Narathiwat, Yala, and Songkhla; and (f) creation of the Haadyai-Songkhla industrial area.

Capital being made available for these projects is estimated to be about \$10 million.

The part of North Sumatra that will be involved in this development triangle is basically an agricultural area, but some industrial growth centers are now developing around the port of Belawan at Medan. Tourism also is growing as an important economic activity in the region. The direct communications that exist between the port of Belawan and Pulau Pinang are also important to the development triangle concept.

The forms and characteristics of the resources possessed by the areas in the triangle show that those areas can be

complementary and mutually supportive, which can be realized through each area's speciality in manufacturing or use of natural resources.

Cooperation may also be conducted through the joint marketing of the products of each of the three areas and through the development of resources with tourism potential.

It is clear that the development triangle concept is a natural and innovative form of economic action for jointly meeting development challenges faced by the three countries.

From Malaysia's viewpoint, the development triangle represents a suitable attempt to prevent the shift of goods, labor, and capital out of the region.

To achieve development triangle objectives, many new concepts and actions must be considered.

For example, the three countries must think about ways to improve immigration and customs so that goods, capital, and labor can flow more smoothly than they do now.

Foreign Workers for Farms, Factories Approved

*92SE0058A Kuala Lumpur UTUSAN MALAYSIA
in Malay 11 Oct 91 p 4*

[Text] Teluk Intan, 10 Oct—The cabinet has approved the acceptance of 18,000 foreign workers for the agriculture and manufacturing sectors to compensate for the labor shortage in those sectors in this country, Mr. Ghafar Baba announced here today.

The deputy prime minister said the cabinet, which met yesterday, also decided on a policy that the use of foreign workers in this country must be done through legal channels.

He said the Ministry of Human Resources has prepared specific regulations on the entrance of foreign workers into this country and that the regulations were submitted to the cabinet yesterday for its approval.

He stated that the Immigration Department will be delayed in processing the 18,000 foreign workers approved for entrance into the country because the large number of people necessitates careful screening.

"We cannot simply bring in foreign workers without valid documents," he told reporters this morning after inaugurating the Sultan Abdullah High School building at Chenderong Balai, 18 kilometers from here.

He said foreign workers must comply with their three or four year employment contracts and return to their home countries when their time is up.

Mr. Ghafar said that the labor shortage in this country shows that Malaysia is a developed country forced to

bring workers in from the outside. The MAPA [Malaysian Agricultural Producers Association] recommended bringing in 30,000 foreign workers for the two sectors.

He said the government decided to accept foreign workers for these two sectors because Malaysians are not very interested in working in these sectors.

He said the government decided as the first step to take 18,000 foreign workers for these two sectors.

The government will take firm action against anyone who illegally brings in foreign workers, he said, because such action threatens the status of foreign workers who are brought in legally.

He said that all foreign workers are to be paid the same wages as Malaysians who work in the farming and manufacturing sectors.

Mr. Ghafar expressed surprise at the attitude of MTUC [Malaysian Trade Union Congress] leaders who oppose the way the government is bringing in foreign workers, because those leaders have lost their "capital" as critics of the government.

He said the MTUC had recommended that the government bring in foreign workers at low wages for the purpose of preventing Malaysians from getting work.

He stated that the government has not yet set a tax rate on foreign workers employed in this country.

He said they should pay taxes since they receive basic facilities and educational opportunities for their children as long as they are in this country.

Mr. Ghafar said the government will take firm action to return illegal alien workers to their home countries so that they can obtain valid documents from their respective governments before being allowed to return to Malaysia through legal channels.

Writer Calls for Nuclear Technology Development

*92SE0056A Kuala Lumpur BERITA HARIAN
in Malay 11 Oct 91 p 10*

[Article by Kamal Ahmad; "Malaysia Developing Nuclear Technology"]

[Text] The nuclear science field, with its most modern of electric-power technologies, needs to be expanded in this country. In the non-electric-power sector, the three aspects approved for Malaysia are:

- The medical industry—radiology, radiotherapy, and medical research;
- Industry—extensive use in oil exploration, soil and mineral analysis, and the testing of electronic components; and
- R & D (research and development) in agriculture and related sectors.

The UTN (Nuclear Energy Unit), as the organization responsible for encouraging, expanding, and supervising this sector, must plan and implement R & D programs for widening the use of nuclear science technology for agriculture, manufacturing, food production, and medicine.

In its R & D, the UTN has been successful in producing varnishes through a laboratory process using natural rubber and Malaysian palm oil. The substance is safe and does not contaminate the environment. This success is the result of yet one more effort to diversify the use of the country's natural rubber for the sake of development and the economy. The UTN is also responsible for new strains or clones of plants and has been successful in producing the rice called "Ali's Staff."

In the field of nuclear medicine, the UTN acts as a program coordinator for the training of specialists at three large hospitals in Australia. This 9-month program involves three groups, each of which includes medical experts, physicists, pharmacists, and technicians. After undergoing training, the groups will function using the "nuclear clinic" method at the Kuala Lumpur General Hospital for the central and southern zones; the Malaysia Science University Hospital at Kubang Kerian, Kelantan (northern zone and East Coast); and the Kuching General Hospital in Sarawak (for East Malaysia).

According to UTN Director Datuk Dr. Mohd. Ghazali Abdul Rahman, medical science offers a broad field for pioneering. Practical aspects in this country are minimal compared with other developing countries like India and Pakistan, which have more nuclear medicine treatment centers.

Should the use of nuclear energy, which in this country is now directed toward the non-electric-power sector, be shifted to power generation?

This question can be answered by evaluating four factors:

- To what extent will the people accept the construction of a nuclear reactor?
- Is the government able to bear the cost of building and operating a nuclear reactor and able to bear the risks?
- Where would the reactor be built?
- To what extent would Malaysian experts be able to manage a reactor?

So far, the country has depended on electric power from four sources: hydro, coal, oil, and gas. Nuclear power would be the last option.

Nevertheless, the government needs to think about planning and implementing the construction of a nuclear power reactor as preparation for any unexpected power crisis in the future. Malaysia needs to be ready and to face the fact that at some point in the future we will run out of oil and gas. This situation will hit every country in the world. Hydroelectric power generation will not

accommodate the steadily rising demand of the industrial growth that will be the country's heartbeat. Even if oil and gas are not depleted, they will be more expensive; and it will not be as economical to generate power using those fuels as to use cheap uranium to produce radioactivity to drive turbines.

Malaysia is now entering the third era in power generation, namely a period of using LNG (liquefied natural gas), since oil and coal were found to contaminate the environment. Nuclear power is natural as a future source of energy because it is an up-to-date technology that is cheap, safe, and clean.

The UTN, formed in February 1985, now has enough expertise to operate a nuclear power reactor. Its 84 specialists in various aspects of nuclear science are recognized internationally and are ready to lead the way after they receive instruction and experience with the private firm that builds the reactor.

The use of nuclear power is not foreign to developing countries in the Southern Bloc and the Asia Pacific region. India, Pakistan, Japan, Korea, and Taiwan, for example, have nuclear reactors for generating power; while Australia, Indonesia, Malaysia, and Thailand have potential in that direction.

According to reports on latest developments, Indonesia plans to build a nuclear reactor under a project that is to begin in 1995 and is expected to be finished in 2002. The Philippines is also said to have built a nuclear reactor under the administration of former President Marcos.

The development scenario for nuclear power (in megawatts) in developing countries in Asia is shown in the table.

Nuclear Power Development Scenario (in Megawatts) in Developing Countries in Asia From 1990 to 2010

Country	1990	2000	2010
Bangladesh	0	5,000-7,000	8,000-10,000
China	0	0	600-900
India	1,594	5,000-12,000	12,000-15,000
Indonesia	0	0	600-1,800
Iran	0	0-2,100	2,000-4,000
Malaysia	0	0	600-1,800
Pakistan	125	425-1,300	1,300-3,000
Philippines	0	620	620-1,500
Republic of Korea	7,220	10,000-13,500	17,000-20,000
Sri Lanka	0	0	600-900
Thailand	0	0	600-1,800
Totals	8,939	21,000-34,600	40,900-59,700 [figures as published]

The figures in the table were taken from a working paper presented by Budi Sudarsono at the Seminar on Oil and

Gas Environmental Strategy for the Asia Pacific Region, which was held in Kuala Lumpur on 26 and 27 August. Budi Sudarsono is chief of the Energy Sources Section, Natural Energy Sources Division, of the UN Economic and Social Commission for Asia and the Pacific.

In the developed countries, 80 percent of France's electric power comes from nuclear power; Japan, 3-40 [as published] percent; and the United States, 20 percent. The United States is facing problems with oil supply and other energy sources.

It is a fact that developing countries will enter the nuclear power age. To respond to the need for electric power, which is one of the main types of "capital" for becoming a developed country, Malaysia also needs to seek alternative energy sources to reduce dependency on hydroelectric power, oil, and gas. As a future industrial country, electric power will be used to the maximum in the industrial sector besides serving the daily needs of 70 million people.

At present, Malaysia does not have a nuclear power reactor and has only a research reactor capable of generating 1 megawatt of electric power. A nuclear power reactor generates 300 to 1,100 megawatts.

UTN nuclear scientists are always looking ahead to future developments with an attitude of readiness as they conduct various kinds of research. They are renewing their vision while they follow nuclear technology development throughout the world.

They are getting training through various programs in countries with nuclear reactors to ensure that they will not be left behind.

"Whether or not we have a nuclear reactor depends on government policy, but as scientists we must be ready at all times.

"Although our experts may not be used in this country, they may be used by other countries; and at some point we may export them.

"The UTN is willing and capable to operate a nuclear power reactor at any time," said Datuk Dr. Mohd. Ghazali.

The UTN now has 84 experts in various non-electric-power nuclear fields who are relied on by other countries for managing courses and giving lectures. The UTN focuses on certain fields it has found to be developing quickly and is increasing the number of its experts in those fields.

"If we become a member of the International Atomic Energy Agency (IAEA), we will have to sign a statement that our objective is not power [as published]. We will then have access to information on peaceful uses of nuclear technology," he said.

Nuclear reactor safety is always monitored in this country, however. An IAEA team of 10 nuclear experts, which is known as "Safeguard," once every two years conducts visits to inspect records, documents, and plants to ensure that the UTN does not violate regulations or agreements.

Malaysia can be proud that two of our citizens are "Safeguard" members responsible for inspecting nuclear reactors in other countries.

Normally, a reactor is built by a company, and then local experts become involved in jointly controlling it for a specific time while they study its management. If a second reactor is needed, local experts will join the company in building it under a joint venture.

Because of its good record in conducting and supervising R & D work, the UTN must be entrusted with taking the first step into the nuclear electric power era. The main point is that, for the sake of the future of the country and all the people, the public needs to be given an explanation of the importance of entering this field.

Editorial on Aquino's 1992 Plans

92SE0039C Manila *DIYARYO FILIPINO* in Tagalog
14 Oct 91 p 3

[Text] Secretary Drilon threatens the senators who want to give the Americans only one more year to stay on the military bases by stating that Mrs. Aquino might just become a candidate again. Drilon's purpose is to make the anti-base senators agree to a three-year extension of the bases. He wanted to indicate that if Mrs. Aquino would run again on the platform of the base extension, the anti-bases senators would be punished by not being elected. It seemed as if Drilon were certain that the Filipinos still believed in the president and that she would indeed triumph if she would be a candidate again.

Drilon is hoping that only those candidates who have the blessing of the president will win, so that those who will serve in the Senate during the second term of Aquino will all be pro-bases.

Drilon most probably believes that the president is still popular because of the many constituents who are deliberately given transportation in order to attend her rallies.

It is also possible that Drilon and his chief are becoming alienated from the sentiments of the people. Perhaps they no longer hear the supplications and the grievances of the people under an administration that has no sense of direction, is full of anomalies, is retrogressive, and is really selling out the nation to the foreigners. Drilon and the president have turned a deaf ear to the proposals of some senators and savants on the need for a new direction in order to free the country from the hardships and sufferings that it has experienced. What is always on their minds is how to secure immediate cures for society's ills, even though we have to pay a price for it in the end. We always expect outside help, even though it concomitantly tramples on our rights and identity as a people. The administration no longer has the capacity to look for other means which, even though they would bring us temporary hardships, would eventually bear long-lasting fruit for the nation.

Aquino and Drilon falsely believe that if the president runs on the military bases platform, she will certainly win because, in their estimation, most of the Filipinos are pro-bases. They have not taken into account that, in an election, it is not only the bases that matter, but also the record of the administration. The anger of the people is now spreading. They maliciously attack and mock Aquino and they are now looking for somebody to replace her with.

It is also unknown to them that those who are pro-bases are located mainly in only some provinces, that the number of Filipinos who want to terminate the unfair relationship with the Americans is on the increase. In this case, Aquino's platform will be the continuation of this relationship of expectancy with the Americans. How can we learn to stand on our own two feet? If we keep on

postponing our break with the Americans, the time when we will be on our own will never come.

Aquino's tactic is clear: Give the Americans a time-extension until there will be a new administration who will grant them what they want. Aquino thinks she is the only candidate who can insure that the foreigners will win. She knows that she no longer has the support of the foreigners who put her in power. She is afraid that the Americans will support another candidate; thus she is presenting herself as the sole defender of their interests. Meanwhile, the Americans are also playing the game, since they know that Mrs. Aquino will become the target of the people's anger, and they are also beginning to lose their confidence in her ability to govern.

They are also scared of the loss of trust and confidence unfolding in this administration. Therefore, most probably, they are not going to gamble with Aquino and her relatives and new cronies. They are going to look for someone new and knowledgeable who can fight for their interests without causing outrageous embarrassment.

If the Americans no longer support Aquino, no matter what she does, if the LDP (Struggle of Democratic Filipinos) is torn apart as a result of her candidacy, if even the businessmen lose their sympathy with her, and the suffering nation is waiting for her to leave the government, then Aquino's threat that she will run again is only a delusion. This is what happens to all presidents who are no longer in touch with the real changes that are taking place, and rely only on their own subjective opinion. This is especially true of a *casique* (a Filipino landowner) who only expects that all her inclinations will be followed. In the final analysis, it is the nation that suffers.

Presidential Candidates Support Debt Payment

92SE0073A Cotabato City *MINDANAO DAILY MIRROR* in English 31 Oct 91 pp 1, 21

[Text] Manila (ANF)—Philippine leaders, including some of the top presidential contenders, are in favor of liquidating the country's \$29 billion foreign debt, agreeing with President Aquino's position that the debt should be honored by the Philippine government.

Presidential candidates Speaker Ramon Mitra, Senators Aquilino Pimentel and Juan Ponce Enrile, ex-Defense Secretary Fidel Ramos and businessman Eduardo Cojuangco have said they differ with the president only in the manner of paying the obligation.

Gathered in a recent business forum, each of them has reportedly vowed that if elected president in 1992, he will honor the country's foreign debt except part of the \$29 billion obligation "where fraud could be proved."

In liquidating the foreign debt, most of the presidential aspirants were quoted as saying that they would give more emphasis "on bargaining more forcefully with

foreign creditors," while trimming the "bloated bureaucracy" and collecting taxes more efficiently.

Revenue Commissioner Jose U. Ong is more emphatic in honoring the country's foreign loans and paying them religiously.

"The Philippines," he said, "could never attain true independence unless it settles the staggering \$29-billion external debt," stressing that there's nothing wrong "in our present predicament since it is a fact of life."

Interviewed by newsmen, Ong said the Philippines could only chart its own destiny as a nation "by first paying our loans because unless we do that our foreign creditors will always remain in our back to protect their interests."

It is common knowledge be said, that the Philippine main creditors, the International Monetary Fund (IMF) and the World Bank (WB), "have always used strong hands in the formulation of our monetary policies."

There was a time during the bases treaty negotiation that the United States was willing to grant a debt relief as part of the U.S. overall commitment to help in the Philippine economic recovery program.

The U.S. gesture, made in the form of a pledge, was not taken seriously, however, by 12 anti-treaty senators whose collective votes defeated the Treaty of Friendship, Cooperation and Security between the two countries.

Under the bilateral executive agreement now being formalized for a three-year orderly withdrawal of the U.S. from the Philippines, the debt relief issue seemed to have lost in the picture altogether.

About half of the Philippines' \$29 billion foreign debt are from bilateral and multilateral sources and as such, a number of the country's economists believe that condonation, no matter how liberal their restructuring had been, should have been welcomed as in the case of Poland and Egypt.

While Poland's case is different, it having had a big \$33 billion of its \$48.5 billion foreign debt to the Paris Club and only \$11 billion to commercial banks, it had to attach relative importance to debt relief from bilateral creditors.

Analysts have observed that Poland had been amply rewarded by the U.S. for leading the upheavals in Eastern Europe that resulted in the collapse of communism and the eventful restoration of democracy in that part of the world.

And Egypt, despite the fact it has no U.S. military bases in that country, also had its \$7.1 billion debt condoned for sending troops to Saudi Arabia to join the U.S.-led multi-national forces in the Persian Gulf War against Iraq.

Why then when the Philippines asked for debt relief, in the form of a moratorium on the payment of even only a portion of its debt service, such request was not granted?

The answer seems to be that fiscal experts of the U.S. government, as well as officials of the international lending institutions, want first to make sure that the Philippine government keeps its fiscal affairs in order by doing away with official corruption and improving its tax collection efficiency and widening the tax base.

Cojuangco: Government Must 'Never' Compete

92SE0073C Cotabato City MINDANAO DAILY
MIRROR in English 24 Oct 91 p 4

[Text] Industrialist Eduardo (Danding) Cojuangco said government must live within its mean and never compete with the private sector during the Presidentiables Forum organized by the Philippine Chamber of Commerce and Industry at the Hotel Nikko Manila Garden in Makati.

Cojuangco was repeatedly interrupted by applause as he expressed his vision of providing "stability with institutionalized continuity" in leading the economic turnaround of the country.

He said it was his goal to make the Filipino proud to be Filipino once again and called on the private sector to show the way in investing domestically to establish confidence in the economy.

Cojuangco proposed to balance the budget during the six-year term of the president while maintaining realistic targets of growth. He reiterated the need for a stable environment in which business could flourish to create jobs and sought to focus on providing livelihood for the 700,00 graduates who join labor force every year.

Cojuangco also called on government to trim the bureaucracy and cut out unnecessary spending, particularly in operating ineffective government corporations. He said the national debt had to be paid for the country to maintain its credit standing world-wide but warned of the alarming rise in domestic debt which is now close to P[pesos]300 billion.

Cojuangco batted for a simplified tax collection system and said Filipino would pay the right taxes if only they could be assured their money would be spent for the common good.

Cojuangco said the leader of the country must understand the problems of the private sector to be able to provide solutions and suggested close consultations between the private and public sector. He said the government must be supportive of the private sector.

Other presidentiables at the forum were General Fidel V. Ramos, Rep. Ramon Mitra, Sen. Juan Ponce Enrile and Sen. Aquilino Pimentel.

Oscar Orbos and Sen. Joseph Estrada failed to show up because of flu. Vice President Salvador Laurel was in South attending a conference of mechanical engineers, Meriam Defensor Santiago is in the United States.

Enrile Criticizes Comelec

92SE0038A Manila *DIYARYO FILIPINO* in Tagalog
10 Oct 91 p 10

[Text] Yesterday, Senator Juan Ponce Enrile criticized the Commission on Elections (Comelec) because of its decision to revoke the date of the beginning of the election.

According to Enrile, one of the hopeful candidates in the 1992 presidential election, the decision of the commission is very untimely, especially because there are many parties which have already decided their convention dates.

The Comelec made it clear that January 1992 is the beginning of the election campaign, and not 12 November 1991, as was originally agreed upon.

This means that the political parties cannot hold their conventions to elect their candidates for the presidency, the vice-presidency, and the senate until 12 January 1992 comes along.

This decision of the Comelec will affect the Nacionalista Party, of which Enrile is a member, since its highest official has already fixed as its convention date 16 November at the Philippine International Convention Center (PICC).

According to Enrile, 12 January 1992 provides such a short time which is very insufficient for each party to prepare a wide-ranging campaign, and to assign precinct watchers for the actual election.

He added that it will greatly affect the preparation of the parties; consequently, this could be the cause of a troublesome election.

"It is only right for the parties to have sufficient time to select their candidates, especially for the presidential position in the republic. The parties also need time to campaign," Enrile further added.

Possibility of LDP in Bulacan Breaking Up

92SE0039A Manila *DIYARYO FILIPINO* in Tagalog
11 Oct 91 p 2

[Article by Dan Ambrocio]

[Text] MALOLOS, Bulacan—There is a possibility of the breaking up of the "Struggle of Democratic Filipinos" (LDP) Party after the announcement of some municipal mayors that they are not happy with the unstable position of the governor on the issue relating to the operation of the new markets built in eight towns.

Mayor Iuminado Galvez announced that he would resign from the LDP (Struggle of Democratic Filipinos) if Governor Roberto Pagdanganan would continue in his nonchalant attitude towards adjusting the regulation regarding the goodwill money collection from the stallholders for the treasury of the municipalities.

According to Galvez, they were unhappy with the way the governor treated them when they specifically confronted him at the capitol a few days ago because, instead of clarifying the issue, he simply directed them to the provincial attorney.

First of all, the Provincial Advisory Body (Provincial Board) approved the law that prohibits the collection of goodwill money in the newly established markets in the province, and which was also firmly opposed by the three towns of Norzagaray, Bocaue, and Balagtas, since they would not have sufficient funds to pay their debts to the banks.

In Meycauayan, many residents and stallholders are confused as to who manages the newly built markets, after having received the news that the municipality made an agreement with a private company to manage the markets, in direct opposition to the request of the Meycauayan Vendors' Association to let the Association of Cooperative Stores decide for themselves what to do.

On the other hand, Teofilo Ramos, head of the Balagtas Market Vendors' Association (BMVA) stated that the members would picket in front of the capitol this afternoon to petition for a strict implementation of the prohibition to collect goodwill money.

In this connection, ex-Governor Ignacio Santiago petitioned the Department of Finance (DOF) and Malacanang to issue a very clear directive on the legality of collecting goodwill money from the stallholders in order to lessen the confusion.

Rice Among Top Issues in 1992 Election

92SE0073B Cotabato City *MINDANAO DAILY MIRROR* in English 27 Oct 91 p 6

[Text] Manila—Rice or the way its retail prices more than doubled since 1986 is among the leading and emotional issues in next year's national elections.

Opposition party candidates are already denouncing the administration for the steep rice prices with the official campaign period still months away.

Records of the Bureau of Agricultural Statistics show average per kilo retail price of rice this year at P [pesos] 10 (third class variety) as against the P5 which prevailed in February 1986, when the present government assumed office following overthrow of the dictatorial regime.

Rice has always been an issue in national elections held by the country since recovery of independence in 1946.

National administrations were elected or voted out of office on the basis of their promises or non-performance on the rice issue.

The reason for the grain's preeminence as an election issue is due to the failure of the nation to become self-sufficient in production of the national staple. The inability results in importations and high retail prices of the cereal.

National administrations' failure to guide the country to self-sufficiency in rice is perceived by the public or voters as incompetence resulting in their being booted out of power during elections.

Ruling party candidates will have a harder time defending the present administration from the rice issue since prices of the cereal are projected by agriculture department insiders to increase some more in the next seven months or up to 11 May election day.

The price hikes will be caused by a production shortfall which, in turn, is due to last June's eruption of Mount Pinatubo in Central Luzon, a natural disaster which further worsened the ongoing national economic crisis.

Central Luzon has virtually been erased as the country's leading regional rice producer by the volcanic eruption. The region used to contribute 1.5 million metric tons to the annual production of the staple.

Had it not been for the Pinatubo disaster, this year's harvest would be a record 10 million tons, according to agriculture department projections. The 1990 crop stood at 9.3 million tons which was 1.47 per cent below the 1989 production of 9.4 million tons.

The drought, which ravaged other rice producing regions in Luzon, Visayas and Mindanao earlier this year, adds to expectations of a harvest shortfall.

Department insiders claim citizens are more sensitive today to rice prices as shown by a government finding last July that at least 70 per cent of households in the nation are unable to meet the three square meals a day requirement.

The finding was made by the Food and Nutrition Research Institute, an arm of the Health Department, which found that a family of six has to spend at least P90 a day to adequately meet its food needs.

The Institute further reported that only 30 per cent of the households (there were 11.4 million of them as of mid-1990) could afford the cost of adequately daily meals "because of growing poverty" in the nation.

Among other reasons cited by department insiders as having fuelled increases in the price of rice since 1946 are:

—Rising costs of imported farm inputs, such as fertilizer, pesticides, etc., which are necessities in cultivating the high-yielding varieties.

—Government decision to deregulate the rice trade, meaning allowing prices of the cereal to seek their own level.

—Inability of the National Food Administration to adequately support the farmers, especially the small ones, through subsidized buying of their produce.

—Still limited irrigation facilities resulting in an average per hectare yield of 3.05 metric tons for rice fields serviced and only 2.12 tons for the rainfed farms.

—Seeming inability of concerned public agencies, like the police and the internal revenue bureau, to stop the alleged cartel-like operations of big-time rice traders despite leads furnished by an investigation conducted by a Senate Committee.

Challenges for Fernan As Presidential Candidate

*92SE0038B Manila DIYARYO FILIPINO in Tagalog
15 Oct 91 p 2*

[Text] The presidential election is still far, yet there is already a lot of confusion in the various newspapers regarding the candidates aspiring for the presidency. Just two days ago, almost all the news centered around whoever is aspiring for the highest power in the nation.

However, among the many political reports, what was very conspicuous was Senator Teofisto Guingona's report that Chief Justice Marcelo Fernan of the Supreme Court had stated in Cebu City that he would run in the 1992 presidential election if the Liberal Party would support him. Fernan also stated that "he can possibly render service to the party, or to the nation."

If Guingona's report is true, he being a member of the LP [Liberal Party] executive committee, it is thus clear that the foremost member of the highest court of the land indeed has ambitions of becoming a 1992 candidate. And it is highly possible that Fernan was enticed into it because there have been so many who have been trying to convince him to do so. The disclosure of Speaker Ramon Mitra, Jr., of the House of Representatives, that Jaime Cardinal Sin would support the partnership of Fernan and President Aquino in the election further added weight to this report.

If Fernan would formally disclose his interest in being the forerunner LP candidate, he certainly would go through the eye of a needle, i.e., he would be thoroughly scrutinized.

He must challenge Senate President Jovito Salonga in a convention in order to be the LP standard-bearer. His reasoning that the LP will be divided into two factions if he challenges Salonga won't hold water.

One more thing: Salonga believes that he has the advantage in the convention; hence, he is willing to face all

those who have ambitions of having the LP endorsement. Salonga does not pay attention to the threats that the LP leaders will dump him if the convention is held now.

Likewise, if Fernan really plans to be a presidential candidate under the LP banner, then he must truly consider an impressive platform to be presented in the 1992 election. As a gesture of courtesy, he must resign his Supreme Court position. The insinuation is that he still has made no decision as to how he is going to row his boat in the two rivers; i.e., there is no indication of what he is definitely going to do, and how he is going to do it.

Reportage on Fernan Candidacy

Cebu Governor Dismisses Cory-Fernan Candidacy *92SE0063A Cebu City SUN STAR in English 14 Oct 91* *p 4*

[Text] More political leaders in Cebu yesterday expressed doubts on the reported Aquino-Fernan tandem in the 1992 elections.

Cebu Gov. Emilio Osmena, a staunch supporter of Supreme Court Chief Justice Marcelo Fernan, quashed the reports as false.

"It is not true," said the governor in a telephone interview last night.

Rep. Celestino Martinez Jr. (Cebu-4th district), Cebu provincial chairman of the ruling Laban ng Demokratikong Pilipino (LDP), on the other hand, said yesterday the report was "pure speculation" even as he said the veracity of such report will be one of the matters which the LDP executive committee will take up during its scheduled meeting tomorrow.

Earlier, Speaker Pro Tempore Antonio Cuenco (Cebu City-2nd district) categorically said President Aquino is not going to run for president.

Martinez, who sits in the LDP executive committee, said that before he left Manila for Cebu last Friday, he met with Speaker Ramon Mitra Jr. but nothing has been said of the reported Aquino-Fernan tandem.

Governor Osmena is backing a presidential draft of Fernan while Martinez is supporting the presidential bid of Speaker Mitra.

Cuenco is committed to support Mitra but admitted that he will be put on a fix if Fernan decides to run for president.

The governor earlier indicated that the multi-sectoral coalition being worked on by key supporters of Fernan was about to be completed and that the presidential draft for Fernan would be announced before the end of this month.

The coalition is reportedly going to draw in the majority of the 35-member executive committee of the Liberal

Party (LP) and the moderates in the other major political parties like the LDP, the National Union for Christian Democrats (NUCD) headed by Foreign Affairs Secretary Raul Manglapus, the PDP-Laban and the Nacionalista Party; and leading civic and non-government organizations.

Dream

Liberal Party head Senate President Jovito Salonga, who has categorically said he will not give to Fernan the party's presidential nomination without going through the convention process, brushed this report aside as nothing but a "dream."

Governor Osmena last night responded by merely saying: "We will see."

The supposed Aquino-Fernan ticket provided a new twist to the unfolding national political play, fueled by reports that the Chief Justice had met with Manila Archbishop Jaime Cardinal Sin purportedly to discuss the ticket.

Another version of the reported Fernan-Sin meeting has, on the other hand, said Sin would be endorsing Fernan's candidacy.

But Governor Osmena declined to add his voice on this report. He said he would rather keep quiet.

Cebuano Senators John H. Osmena and Ernesto Herrera are working on the separate side of the fence but also with the same end of getting the needed political/financial backing for a Fernan presidential bid.

A sticker which says "Fernan is the man" is now even seen posted at Senator Osmena's office here in Cebu.

Fernan has not announced his decision yet but it was clear from his previous statements that he would run for president if all the factors he has required—a strong political vehicle, necessary logistical support, and the backing of a multi-sectoral coalition—would gel in his favor.

Cebu City Mayor Supports Fernan's Candidacy

92SE0063B Cebu City SUN STAR in English 14 Oct 91
p 4

[Text] CEBU City Mayor Tomas Osmena yesterday described as "good enough" the rumored team-up of President Aquino and Supreme Court Chief Justice Marcelo Fernan in next year's presidential elections.

Osmena, a staunch supporter of Fernan, however, said he would still prefer that the Chief Justice himself run for president.

Osmena said that an Aquino-Fernan tandem has its "plus and minuses."

The mayor also said he would rather go for the Aquino-Fernan team rather than those of the so-called presidentials.

A broadcast report had quoted a source who requested anonymity that Aquino may run for reelection with Fernan as running mate.

The rumored Aquino-Fernan tandem would reportedly be endorsed by the influential Archbishop of Manila, Jaime Cardinal Sin.

Columnist: Officials Should Check Investment Act
92SE0038C Manila DIYARYO FILIPINO in Tagalog
15 Oct 91 p 3

[Text] The Foreign Investment Act (RA 7042) has been passed, and now that it is a part of the existing law, those who are against this new law have no other recourse but the Supreme Court. Congressman Enrique Garcia faces an accusation asking for the justification of the Foreign Investment Act as a violation of the Basic Law of 1987. Through the favoring of the foreign investors or capitalists, the status of the Filipino businessman will be harmed.

On paper, the enactment of the above-mentioned law looks good; for example, the Declaration of Policy states that foreign investors are to be allowed into the country in order to help in our efforts to industrialize. This will add to the capital for the businesses that the Filipinos have already assigned to the various sectors. However, the enforcement of this law is very complicated because of its limited rules and regulations, including the designated Negative List.

According to Rule IV, Section 1 (rules and regulations), any non-Filipino national, except those prohibited by other laws, is permitted to invest and own up to 100 percent of the local business. According to a former Omnibus Investment Act, only 40 percent of the ownership is allowed to a foreigner.

A foreign corporation must register with the Securities and Exchange Commission (SEC), and the individual foreign investor must also do so with the Department of Commerce and Industry. The aim of the registration is simply the submission of papers, and if the processing of the papers is not completed within fifteen days, then the registration becomes automatic.

All the (business) sectors are open to foreigners, except those indicated in the Negative List. The list has three parts (categories): A, B, and C. Here are some examples:

A. The foreigners are prohibited from the retail selling of rice and corn; (they are prohibited from owning) cooperatives, security agencies, small mines, recruitment agencies, some advertising sections, from using natural resources (wealth), and from owning land. The foreigners are prohibited from construction (businesses), especially those having to do with the infrastructure of the military sector; they are also prohibited from managing public

utilities, and from the ownership of schools registered with the Department of Education.

B. The foreigners are prohibited from dealing in arms and bullets, and in lethal weapons; (they are also prohibited) from the manufacture and the selling of illicit drugs, from owning and managing saunas and massage parlors, and also from other businesses dealing with the health and morality of the general public. They are also prohibited from gambling, horse-racing, and from owning or importing race horses.

C. The foreigners are prohibited from owning or managing cockfights, from businesses dealing with tourism and insurance, from the construction of infrastructure for public works, and from government bureaus.

Although the Negative List covers a lot of ground, yet it cannot be fully implemented until the three-year time extension granted to the foreign investors has elapsed. Meanwhile, the latter will be able to penetrate the sectors that have been successfully placed into the hands of Filipinos, but because of their great capacity to pour in money, the Filipinos will most probably be overcome by it or buried underneath it. It is hard to be included in the Negative List. If a certain Filipino businessman wants to have somebody or something be in it, he must have definite proof or evidence for justification. NEDA [National Economic Development Association] decides, but it is still necessary to present it to the president for her approval. Furthermore, the force of the Negative List lasts only for two years. It is necessary for the Filipino to present sufficient evidence again in order to stay on the list, since once he is stricken from the list, it is difficult for him to be put back in.

R.A. 7042 runs counter to our hopes and desires of achieving industrialization. We will continue to be a country of buyers who have no understanding of how to manufacture goods for sale or of overpowering machines (modern technology). As a nation, the planning and progress of our economy is no longer compatible with our needs, but rather, it is in favor with foreign interests. There is nothing wrong with foreign investments; in fact, they can be of great help. However, in attracting foreign money, the welfare and interests of the Filipinos must never be overlooked.

Rebels Killed in Clash

92SE0039B Manila DIYARYO FILIPINO in Tagalog
14 Oct 91 p 10

[Text] Three rebels of the New People's Army (NPA) and a member of the Philippine National Police (PNP) were killed in a clash in Barangay Culat, Casiguran, Aurora, last Saturday morning.

It has been reported to Chief Superintendent Pantaleon Dumlao, regional director of the PNP in Central Luzon, that those killed in the encounter were: Ka Rolly, Ka Jun, Ka Angel and PO2 Arturo Fantone, assigned to the

119th Mobile Force Company (MFC) of the Aurora PNP Command.

On the other hand, seriously wounded were Senior Inspector Alberto Baraguiel, chief of the 119th MFC, and three more NPA's identified as Samuel Nicolas, alias Ka Erwin; Pedro Macabutan, alias Ka Fexic, and Willy Torega, alias Ka Ronnie, all residing in Barangay Dinadiawan, Dipaculao, Aurora.

According to the report, the policemen were on patrol when they encountered about 20 NPA's at around 0900, and the two opposing sides exchanged shots at each other.

Dumlao said that the three wounded rebels were arrested and brought to Casiguran District Hospital, while Baraguiel was moved to Banawe Hospital in Quezon City.

Confiscated from the NPA's were four M-16's, one M-14, two Icom radios, magazines and bullets, a camera, personal belongings, and subversive documents.

Nevertheless, the police immediately started planning mopping-up operations in order to pursue the rebels who had escaped.

POLITICAL

Opinion Poll on Government, NPKC, Leadership

92SE0066A Bangkok SIAM RAT in Thai 31 Oct 91
pp 1, 16

[Excerpt] [passage omitted] At the Chulalongkorn University Political Science Faculty on 30 October the research section of the Institute for Social Research, [which was affiliated with] the Political Science Faculty and the Project for Democracy (KhRP), issued an announcement concerning its "survey of public opinion concerning the drafting of the constitution." Those participating in making the announcement included Mrs. Amra Phongsaphit, a professor in the Political Science Faculty of Chulalongkorn University, Mr. Surit Wankeo, vice-chairman of the Political Science Faculty of Chulalongkorn University, and Mr. Khotom Ariya, the coordinator of the Project for Democracy.

They said that this survey was intended to learn the opinions of the people concerning the draft of the constitution which was before the national assembly. They were able to make an initial report concerning the regions from which the survey responses came. The regions were the North (Chiang Mai), The Northeast (Khonkaen), the central region (Bangkok), the East (Chonburi), and the South (Songkhla and Pattani). There were 3,124 who responded to the survey. Of these 1,757 were male, and 1,361 were female. They were generally between the ages of 20 and 50.

Those responding were from many walks of life. There were technicians, employees of government enterprises, students, the self-employed, such as doctors and lawyers, businessmen, and those employed in business. They had generally completed secondary education or higher. There were 2,000 who had completed their bachelor's degree or higher - they made up 66 percent of those responding. Their economic status was from average to well off. Their income generally did not exceed 12,000 baht per month per person.

In the survey of opinions concerning the "effectiveness of government", 1,029 (32.9 percent) felt that it was good, 1,824 (58.4 percent) felt that it was average, and 246 (7.9 percent) felt that it was unsatisfactory. With regard to this issue it was noteworthy that those with more education generally had a better opinion of the effectiveness of government than those with less education did. And those with a higher income had a better opinion of the effectiveness of government than those with a lower income.

As for their "opinion of the effectiveness of the NPKC [National Peace-Keeping Council]" 390 (12.5 percent) felt that it was good, 1,681 (53.8 percent) felt that it was average, and 1,013 (32.4 percent) felt that it was unsatisfactory. It was noteworthy that when compared with the figures for people's opinion of effectiveness of government, the number of people with a negative opinion

of the NPKC was clearly greater. And people in Bangkok were more likely to have a negative opinion than people in the countryside.

As for their "opinion concerning the role of government and the NPKC with regard to the administration of the country" 1,260 (40.3 percent) felt that the government and the NPKC were both responsible for the administration of the country, 1,107 (35.4 percent) felt that the NPKC had the primary responsibility, and 685 (21.9 percent) felt that the government had the primary responsibility.

As for their "opinion concerning the drafting of a constitution" 87.2 percent felt that the committee drafting the constitution should be made up of elected officials and that the question of whether the constitution should be the jurisdiction of the national assembly or not should be decided by a referendum.

As for their "opinion concerning the constitutional committee" 71 percent approved of having such a committee, and 68 percent felt that the committee should have the authority specified in the draft of the constitution. There were 26.7 percent who felt that the committee should have the authority to select senators and supervise elections.

As for their "opinion concerning the senate" 58 percent felt that the senate should be elected while 27.2 percent agreed with having the senate selected by the constitutional committee according to the draft of the constitution. There were 13.6 percent who felt that the prime minister should select the senators and 51.4 percent who felt that the senate should have 180 members (one half of the MP's [member's of parliament]). There were 67.2 percent who felt that the senate should have the authority to open a debate and have the cabinet report to them without a resolution.

As for their "opinion concerning the method of election for members of the national assembly" 53 percent felt that the method of election should be as specified in the constitutions of 1974 and 1978, that is, election according to district with one to three members per district and election by group (by number). There were 16 percent who supported an election according to the method specified in the draft of the constitution.

As for their "opinion concerning not allowing MP's to be appointed ministers while they were still MP's" 62.1 percent agreed with the provision in the draft of the constitution which prohibited an MP from being appointed a minister while performing duties as an MP. It was noteworthy that those with more education, especially those with bachelors degrees, agreed with this to a large extent.

As for their "opinion concerning the position of prime minister" 59 percent felt that the prime minister should be an MP while 40 percent did not feel it was necessary for him to be an MP.

As for their "opinion concerning resolutions to amend the constitution" 56 percent felt that such amendments should require two thirds of the votes of both houses while 42.7 percent felt that they should require just half the votes of both houses.

As for their "opinion concerning whether the prime minister should be in the military, the head of a party, or a person of ability" 58.3 percent felt that the prime minister should be a person with generally accepted abilities while 33.9 percent felt that the prime minister should be the head of the political party winning the most votes in an election. There were 2.2 percent who felt that the prime minister should be a high-ranking military officer still in service and 1.6 percent who felt that he should be a retired military officer who was a candidate for election. [passage omitted]

MILITARY

Navy CINC Comments on U.S. Base Use

92SE0041A Bangkok MATICHON SUT SAPDA
in Thai-11 Oct 91, p 5

[Text] In an interview on 5 October, Admiral Wichet Karunyawanit, the RTN CINC [Royal Thai Navy Commander in Chief], talked about the reports that after the United States withdraws its military bases from the Philippines, it will establish a base in Thailand. He said that that is very unlikely. This rumor probably stems from the fact that the American military has asked to use the base at Sattahip for training purposes. But that is just a temporary training program. They have not asked to use that base on a permanent basis. Also, the [Thai] Navy has plans to develop the Utaphao air base and turn it into a commercial airport in accord with the government's policy. This is part of the eastern industrial development program.

Suchinda, Wirot, Kaset Comment on Commissions

92SE0041C Bangkok DAILY NEWS in Thai 9 Oct 91
pp 1, 12, 14

[Excerpt] [passage omitted] MR [royal title] Sukhumphan Boriphat has made critical comments concerning the payment of commissions on arms sales. General Wirot Saengsanit, the Army chief of staff, talked with reporters about this before going to attend a cabinet meeting on the morning of 8 October. He said that weapons purchases have been an issue for a long time. But it takes two to three years for us to actually take delivery of weapons. Some people want to question this. But he said that he doesn't think that there is any corruption. That problem has been solved. If someone has any evidence, they should submit it.

A reporter said that in the present instance, the person who had the evidence claims that he turned the evidence over to Mr. Chaturon. The Army chief of staff said that he should submit the evidence. It would be difficult for someone to engage in corruption, because the purchase

goes back three years. If someone wants to file a complaint, the court can issue a summons. He said that he would be glad to explain things. When asked if the next purchase of weapons will be done openly, Gen. Wirot said that that depends on to whom this will be disclosed. We shouldn't inform our enemies about this. We shouldn't disclose how many guns or tanks we have. If we reveal this, the enemy won't have to engage in intelligence gathering activities.

When asked why the military needs to buy more weapons now that the international situation is more peaceful, the Army chief of staff said: Who is the one who requested budget funds? It wasn't the military. The budget issue concerns the previous administration. The reporter asked why agents and certain politicians are involved whenever weapons are purchased? Gen. Wirot said that weapons purchases are monitored by a committee. There is no need to explain things. If people have questions, they can ask the committee or the RTA CINC [Royal Thai Army Commander in Chief]. He said that the Army has not committed any acts of corruption. The reporter asked why weapons aren't purchased on a government-to-government basis. Gen. Wirot said that if someone thinks that we aren't buying weapons in this manner, let them cite an example.

Air Chief Marshal Suthep Theppharak, the deputy minister of communications and the air force chief of staff, said that he had asked Gen. Wirot about the arms purchase matter, because he has been asked many questions about this. He said that this arms purchase deal happened three years ago. These weapons were not purchased during the time of General Suchinda. Besides this, most weapons purchases are made on a government-to-government basis. If special purchases are made, things are monitored by a committee. If the purchase totals less than 12 million baht, the military has the authority to go ahead and purchase the weapons on its own.

General Wimon Wongwanit, the deputy minister of defense and deputy supreme commander, said that people have criticized weapons purchases because they want to harm the military. If they have any evidence, they should submit it. If MR Sukhumphan thinks that there is corruption, why doesn't he take action in accord with the law? To say the things that he has said doesn't benefit anyone. If people talk like that, the military will have to file charges.

"On government-to-government purchases, no commissions are paid. I hope that the mass media will help explain the facts instead of just making idle remarks, because that will just cause damage. Some people want to destroy the military. People should consider things carefully. Politicians often try to win points for themselves by tarnishing the reputation of others. I don't want to have anything to do with such people. The people are now much wiser. They know what is what," said Gen. Wimon.

The reporters asked what can be done to solve the arms purchase problem. Gen. Wimon said that normally, the military buys weapons on a government-to-government basis in order to avoid any problems concerning agents' fees. Regarding what has happened, he said that he would like those who have spoken out to submit evidence so that if someone is involved in corrupt activities, people will know. As for the matter of certain politicians and dealers sending evidence to Mr. Chaturon, that's fine. They should make that evidence public. As for Mr. Chaturon, he said that the military will not withdraw its charge regardless of whom the court calls for questioning. The military has never harassed anyone, but certain people have insulted the military.

At 1530 hours that same day at the Army auditorium, Gen. Suchinda Khraprayun, the supreme commander and RTA CINC, talked with reporters about the matter of academics making critical remarks about the payment of commissions in arms deals and comparing this with the receipt of a gift check from politicians. He said that in purchasing weapons, people in the military have never been paid a commission. That is a misconception on the part of people in general. The military purchases weapons in the same way that the ministries and departments purchase items. Do they receive commissions? Big Su said also said that none of the weapons companies has a direct representative in Thailand. Instead, these companies have appointed people to serve as their agents. It is these agents who are paid a commission. It isn't the military that is paid a commission. "People in the military have never been paid a commission. Only the agents have been paid commissions. When someone does something on behalf of a company, it's only natural that he will be paid compensation. You should inquire about the revenues and expenditures of the companies that sell weapons. Ask them if they have paid a commission to the military. If the military has been paid a commission, then there is corruption," said the supreme commander.

At 1700 hours at the Suphachalasai sports stadium, Air Chief Marshal Kaset Rotchananin, the RTAF CINC [Royal Thai Air Force Commander in Chief], told reporters that the military has not committed any acts of corruption. This matter is being handled by the Army. The military is very strict about this and handles things in stages. Moreover, there is a committee to monitor things. The military can't simply buy whatever it wants. This is a long process. As for the statements made by certain politicians, that is their business. If they continue such attacks, he said that he will file charges, because their charges are false. They are doing that for political reasons, said the RTAF CINC. [passage omitted]

General, Sources on Commissions for Weapons Buys

92SE0041B Bangkok LAK THAI in Thai 14-20 Oct 91 pp 16-18

[Excerpt] [passage omitted] Major General Chaturut Phromsakha Na Sakon Nakhon, the secretary of the

Army, told LAK THAI that Mr. Chaturon's question concerning the need to announce the arrest on national television has generated confusion. Actually, an ordinary statement was issued just like other news items. The Army Office of the Secretary issued an explanation concerning the fact that the Army had asked the police to take action against the newspapers that had printed these stories and against Mr. Chaturon, who had talked with reporters about the 20 artillery guns. It was the police who were taking action on this with respect to the newspapers. Mr. Chaturon did not go to see the police as requested by investigation officials. The investigation officials stated that it was necessary to issue a warrant for his arrest. Maj. Gen. Chaturut said that a warrant was not issued on television. But this was "news," and this was mentioned on news programs just like any other piece of news. Actually, Mr. Chaturon has used television to respond, which is a news item, too.

General Suchinda Khraprayun admitted that the arms dealers, or agents, are paid commissions by the producers. That is normal in business. But the military has not received a commission. Big Su said that to accept such commissions would be corrupt. But no one in the military has accepted a commission.

This has been widely criticized. Many politicians have expressed doubt about the veracity of this. People have also talked about the weapons buying structure, saying that the government-to-government buying system is just a cover. Actually, the weapons are purchased from the companies in those countries that produce the weapons. The government apparatus arranges the deal to cover up things.

A major arms trader told LAK THAI that the government-to-government system is used only with the United States and a few other countries such as China and Israel. In the case of Europe, the weapons are purchased directly. These are referred to as special purchases. As for paying for the weapons, Thailand uses the FMS (foreign military sales) system with the United States. That is, the United States allots a sum of money for military aid. This money must be repaid. This budget is set by the U.S. Defense Department. If we need a type of weapon produced in the United States, the U.S. Defense Department arranges for us to purchase the weapon at the FMS price. It's as if the U.S. Defense Department owned the weapon and as if it was the one selling the weapon to the Thai military. The money is repaid in installments as called for in the agreement with the Defense Department. In this system, the role of the arms dealers is to monitor military activities closely. They have to know what the military needs and what it wants to buy. The important "battle" is ensuring that the "specs," or specifications, are in line with the "specs" of the arms that they represent. This arms dealer said that the issue of "specs" is very important. If the specs don't meet the needs, the dealer won't be able to get the contract. He won't be able to compete or submit a bid to the procurement or purchasing committees. "Those who

can match their weapons to the specs will have succeeded in the first step of their job. They can then move on to the next step in the purchase of arms."

This arms dealer told LAK THAI that "in selling arms to the military, an important and very difficult matter is to know what the needs of the units that will use the weapons are. Arms dealers must know what the specs are and whether funds have been allotted."

As for the commission issue, LAK THAI has been informed that the producing companies pay their agents or coordinators in Thailand two types of income. One is marketing costs, or money to maintain the market. For example, if the company's weapons are presently in use in Thailand, they must take steps to preserve the market and keep units from switching to some other type of weapon. This marketing cost is an annual cost. The second is compensation for serving as the coordinator. The weapons producer considers this to be part of marketing. The amount paid depends on difficulty of the work, with the fee ranging from 3 to 8 percent. If, however, the amount of money involved is very large, the percentage will be lower. And if it is a weapons system that has few competitors or few other companies make a weapon with similar specs, with the result that buyers have to purchase the weapon from a particular company, the commission may be only 2 percent. That is because the buyers have no other option and have to buy from that company. "As for the weapons systems purchased from the United States, the commissions paid are very low. They are lower than those earned from purchasing weapons from Europe. That is because the American weapons market is settled, and the military here buys mostly American weapons because of the FMS money available. The commissions on American weapons are very low, because marketing is already very fine tuned. The only problem is matching the specs of their weapons to our needs."

Army Letter on Chawalit Contacts Published

92SE0035A Bangkok KHAO PHISET in Thai
30 Sep 91-6 Oct 91 p 15

[Article by Uaiphon Taechutrakun: "Opening the Army G-1's Secret Letter, Chawalit's Minions Warned"]

[Text] Questions about the relationship between General Chawalit Yongchaiyut, Big Chiu; and General Suchinda Khrabrayun, Big Su, are still very current questions. Even though there are periods when the frequency of such questions declines, I can assure you that people will continue to ask questions about this. Now that a letter stamped "top secret" was issued by the Army Directorate of Personnel on 29 August 1991, such questions are again being asked by people.

On first glance, the contents of this "top secret" letter, which was signed Major General Pricha Uthensut, the director of Army personnel, do not seem very interesting, because it seems that the letter is simply directing certain officers to carry out their duties. A colonel on the

NPC [National Peacekeeping Council] estimates that this letter was sent to approximately 100 officers. But after KHAO PHISET examined this matter, it was found that only officers having close relations with Gen. Chawalit received this letter.

"I did not receive a copy," said Major General Ut Buangbong, a "Prem disciple" who is still in contact with General Prem Tinsulanon, when KHAO PHISET asked about this letter, which directs officers to return to their primary duties. But that may be because he is one of those who has been exempted. This letter states that exceptions will be made when necessary.

This letter, which was delivered "hand to hand," was sent to many people who have close ties to the New Aspiration Party. That includes Major General Phaibun Chunsamran, Lieutenant General Araphan Wattanawibun, Colonel Wichit Yathip, Lieutenant Colonel Phonphon Manirin, Major General Sunthon Chaimuanwong, Major General Siri Sutsongwon, Major General Chan Bunprasoet, and many others. One officer in the Directorate of Personnel said that "from what I can remember, Maj. Gen. Phaibun Chunsamran, Lt. Gen. Araphan Wattanawibun, Col. Wichit Yathip, and Lt. Col. Pohpon Manirin each received a copy of this letter."

"It's the Army's fault for not making use of these talented people," said a member of the New Aspiration Party to KHAO PHISET. He added that what has happened is exactly what we thought would happen.

"Recently, when these people learned that they were being watched more than usual after signing in in the morning, they had to stop engaging in activities except on the weekends. But two people have resigned from the Army and started working for Big Chiu. Those two are Colonel Sorachai Montriwat and Colonel Aphiwan Wiriyachai. Because they had resigned, they did not receive this warning."

An Army major general said that Lt. Gen. Araphan asked who had issued this order. The Directorate of Personnel said that it was the Army chief of staff, General Wirot Saengsanit, who issued this order. But Gen. Wirot denied having issued this order and said that it was the deputy RTA CINC [Royal Thai Army Commander in Chief], General Isaraphong Nunphakdi, who issued the order. It still isn't known who issued this order even though this order has already gone into effect.

In any event, those who have received this letter will probably have to sign in in the morning and sit at their desks all day. As for what effect this will have on Gen. Chawalit, the 1st lieutenant who served as his driver has been ordered to return to his unit. One Army officer said that "the Army has forbidden people from showing any love for Gen. Chawalit."

This is only part of the answer to the question of whether the relationship between Big Chiu and Big Su can be mended.

Royal Thai Army (Administrative Division) 29 August 1991 Subject: Warning on Performance of Duties by Personnel To:

Instead of performing the duties assigned to you by the Army, you have used duty time to carry on other activities that do not benefit the Army, the Ministry of Defense, or other government units. Moreover, you have performed your duties in ways that have benefited people, groups, or organizations involved in political, business, and other activities that do not benefit the Army or the country. The Army would like to inform you of the Army commander's policy regarding the performance of your duties.

1. You are now engaged in these activities without the authority of any regulation or order and without authorization by the Army. You will have to bear full responsibility for your actions, which could affect the Army. You cannot claim that you are acting on the orders of the Army commander.

2. The implementation of personnel rights and consideration for advancement in the Army will not be supported by the Army, and the Army may take personnel action against you as necessary and appropriate.

This policy of the Army commander excludes people whom the Army feels are involved in activities that support the work of the king, the palace, and the privy council, or that support former Army commanders or other senior Army officers in cases when this is essential, such as serving as drivers.

Signed:

Major General Pricha Uthensut

New Army Newspaper Profiled

92SE0035B Bangkok KHAO PHISSET in Thai
30 Sep 91-6 Oct 91 p 16

[Article by Uaiphon Taechutrakun]

[Text] "This is not an NPKC [National Peace-Keeping Council] newspaper," said Colonel Banchon Chawalsin, the deputy secretary of the Army and the prime mover in transforming KHAO THAHAN BOK from an ordinary mimeographed newspaper to an eight-page tabloid, to KHAO PHISSET. Even though this is still printed in black and white, the newspaper looks very nice.

Col. Banchon said that the new KHAO THAHAN BOK came into being as a result of discussions between Major General Anuson Krutsanaserani, the former secretary of the Army, and Major General Caturut Phromsakha Na Sakon Nakhon, the present Army secretary, who felt that KHAO THAHAN BOK should be upgraded and made more interesting. The main purpose is public relations and news within the Army. But if it is necessary to "correct reports," that must be done, too.

The first edition of the new Army newspaper appeared on 27 September. The contents of the first edition were:

Page 1: The headline was "Well Known from Before its Inception, the new KHAO THAHAN BOK." The article discussed the birth [of the newspaper] and criticisms and complaints. The secondary headline was "3d Army Region Helps in Dealing with Floods in Phichit." Another article dealt with the progress made in constructing the Army headquarters building.

Page 2: There were articles and public relations photographs on "inspecting the units" and "personnel rights and benefits."

Page 3: Public relations photographs on "training and studying" and "developing-helping the people." On the bottom of the page was the column "Take Turns Looking" by "Ex-boxer." Originally, this column was titled "Carve Pieces", or "Tuan Pakka," or "Pen and Gun." It focused on current topics of the time, such as the Green Northeast project and cases of lese majesty.

Page 4: The column "Development-Help" started off by discussing a very "hot" topic, the Project for Agricultural Land distribution to Poor People Living in Degraded Forest, or KCK. The column began with statements by the king and ended with the slogan "Born for Thailand."

Page 5: This page was used as a forum for ideas. In keeping with current events, this first issue published an article titled "S. Siwarak, the Need to Accuse" by Phongsakon.

Page 6: There was a news service column titled "Job Announcements" in the Army. Below was a column titled "Soi Dao Ma Roi Ba, Project 2" by Wichai Phuwiangkla, the pen name of Col. Banchon Chawalsin, who writes like a professional columnist. He volunteered to write this column in order to help outsiders who have doubts about "soldiers" understand that soldiers are people, too.

Page 7: There is a sports and entertainment section, an Army sports song, and columns titled "Advance Across the Field" and "Sports Society." The last page contains "news from the Army."

Even though Col. Banchon said that this is not a public relations newspaper whose purpose is to help improve the image of the NPKC, it's known that the NPKC and the Army are "one and the same." Carrying on public relations for one is tantamount to doing that for the other. But his statement that the newspaper will "correct reports when necessary" is true. That is clear from the articles on S. Siwarak, the KCK project, and the "Take Turns Looking" and "Soi Dao Ma Roi Ba, Project 2" columns.

"Initially, our team will be composed of people in the Army. Later on, we will ask people outside the army to write for us in order to add variety. But we will definitely not force columnists. If we publish biographies, it will be in order to enhance public relations, and these will be

interesting personal biographies. It isn't necessary to have reporters," said Col Banchon.

Correcting the critical reports published in other newspapers and journals is not the only objective of this newspaper. A well-informed source told KHAO PHISIT that the reports issued and the "bombs thrown" by the New Aspiration Party through its public relations document, "New Aspiration Relations Document," probably forced the Army to "respond." In particular, there have been rumors that the New Aspiration Party is preparing to publish a daily newspaper and that it has asked Si Inthapanti to be the editor.

"In terms of form, the publication of the New Aspiration Party wins hands down in terms of color and paper. But KHAO THAHAN BOK is a government publication and so it can't compete with the New Aspiration Party's publication. But that is not the important thing. The main thing is that it will be difficult for these two publications to ignore political matters, which are becoming more and more bitter, and not to respond to each other," said the same news source.

Besides trying to improve their image and correct the stories that appear in the press, these two publications are like a "paper arena" in preparation for entering the actual political arena in the very near future.

ECONOMIC

Industry Federation Urges BoI Policy Changes

92SE0070A Bangkok *THE NATION* in English
4 Nov 91 p B1

[Text] Thai industries have made a seven-point recommendation for consideration by the Board of Investment [BoI], concerning the latter's policy to allow units with promotional privileges to sell in the domestic market.

Not opposing the BoI policy entirely, members of the Federation of Thai Industries (FTI), however, came up with a list of 100 sensitive products they want the BoI not to allow to be sold in Thailand.

The BoI has for some time considered allowing many promoted firms to sell up to 20 per cent of their product in the local market. Promoted industries operate under the condition that they must export their entire manufacture.

The investment agency sees the concession as a means to foster domestic competition among Thai industries that will goad improvement in quality and efficiency.

Thai industrialists have entertained concern that such policy, while being beneficial to local consumers in the short run, would destroy Thai industries in the medium and long term.

One of the recommendations made by the FTI is that it should impose the condition that promoted firms should

not be permitted to together sell more than 25 per cent of the domestic demand of each product.

Once the 25 per cent figure has been reached—irrespective of whether every promoted unit making the product has contributed to it or not—the other promoted firms must await the expansion of the market before they can sell in the domestic market.

Further, the FTI recommends that only export-oriented firms in which Thai investors hold majority stake of 51 per cent should be eligible to sell in the domestic market. Foreign majority owned manufacturing plants should not be entitled to do so.

Any BoI policy which concedes this at present should be implemented only in selected industries such as steel, and not across the board.

The FTI has adopted this selectivity concept because Thai industries are largely small and cannot hope to compete with foreign ventures which operate on an economy of scale production formula.

The FTI also came up with a list of 100 sensitive items which they want BoI to exempt from the purview of its policy concessions. The main items are electrical appliances and parts manufacturing. FTI says the BoI should constantly review the sensitive list to ensure transparency of trade and sustainable industrial potential.

The list is a result of an extensive study by the FTI on the possible impact of the BoI policy, if implemented.

The FTI proposal is expected to be considered by the BoI, whose chairman is the Prime Minister, at its next meeting.

BoI officials have, meanwhile, cast doubts on the practicability of the FTI recommendations. Some officials said it would be difficult to come up with accurate figures on demand for each product and decide on who should make the study and how to deal with the error.

BoI officials said the use of majority Thai-owned joint venture as a guideline might not be effective, since shares of some companies are held by local nominees.

But FTI executives said while some errors might appear in regard to the size of the demand, the concept itself should be workable in principle. Further, they questioned why the BoI has not taken action if it knew that shares of some firms are held by local nominees.

FTI argued that the policy of the BoI has several loopholes, and that not enough thinking has gone into it. One of them compared the BoI's policy with trying to organize a boxing match between boxers of different weights.

The analogy is that: a major export-oriented firm with a large production capacity can cover a prefixed cost with just 80 per cent utilization of the production capacity, and be able to dump the remaining output into domestic market with little cost, while most Thai firms with lower

production capacities, have to shoulder higher interest rates, are subject to more stringent loan conditions from financial institutions, and therefore have no chance against the larger firms.

"If the BoI policy is implemented in its present form, Thai industries will die within five to 10 years," one industrialist said.

FTI members said the BoI must be clear in implementing the policy, so that it can promote competition in a more appropriate way. They cited the example of the recent tax cut on automobiles which, implemented without having been thoroughly thought out, has led to confusion and difficulties for the local industry.

[Box, p B1]

The Recommendations

Some of the points made in the Federation of Thai Industries' seven-point suggestion are:

- A list has been presented of 100 sensitive products which the BoI should not allow to be sold in Thailand.
- The BoI should impose the condition that promoted firms should not be permitted to together sell more than 25 per cent of the domestic demand of each product.
- Once the 25 per cent figure has been reached the other promoted firms must await the expansion of the market before they can sell in the domestic market.
- Only export-oriented firms in which Thai investors hold a majority stake of 51 per cent should be eligible to sell in the domestic market.
- Any BoI policy which concedes this at present should be implemented only in selected industries, such as steel, and not across the board.

Commerce Ministry To Review Cambodia Policy

92SE0070B Bangkok THE NATION in English
30 Oct 91 p B10

[Excerpt] The Commerce Ministry will review its trade policy with Cambodia in preparation for the anticipated expansion of bilateral trade following peace in the neighbouring country.

Chare Chutharatkul, director general of the Foreign Trade Department, said yesterday that geographically, Thailand is in the most advantageous position to strengthen its trade relations with Cambodia.

However, the Thai government needs to have a clear-cut policy in establishing trade deals with Cambodia, especially in launching any joint venture projects.

Chare said as a first step the ministry plans to revise its procedures on import of Cambodian logs to facilitate shipments, and assign an agency to be responsible for issuing certificates of origin for the logs.

According to Chare, the ministry will soon send its officials to survey trade and investment opportunities, and explore avenues for cooperation with Cambodia.

He listed tourism, import-export, and fisheries as having good investment prospect for Thai businessmen.

There is also a room for investment in the development of public infrastructure in Cambodia, Chare said.

He said, however, that Thailand may not be able to undertake any export-oriented investment projects in Cambodia now due to the lack of infrastructure and services such as transport, telecommunication and banking in that country.

Initially, the relations may focus on bilateral trade expansion and Thailand's assistance to Cambodia in various development projects, Chare said.

Chare proposed the opening of customs checkpoints at the Thai-Cambodian border in Prachin Buri's Aranyaprathet District, Trat's Klong Yai District and Koh Kong Province in Cambodia to make legal cross-border trade between the two countries.

Chare said the setting up of the border checkpoints must, however, be first approved by the National Security Council. [passages omitted]

Merchant Marine Growth Plans, Problems Discussed

92SE0040A Bangkok KHAO PHISSET in Thai
7-13 Oct 91 pp 34-37

[Excerpts] Thailand exports about 400-500 billion baht worth of goods every year. In 1990, the value of Thai exports reached 580 billion baht, and for 1991 the target is approximately 600 billion baht. But it probably won't be possible to hit that target. This is because the Persian Gulf war and the coup by the NPKC [National Peace-Keeping Council] have had a great effect on exports.

Thailand earns about 400-500 billion baht a year in foreign currencies. But at the same time, we have to spend several hundred billion baht a year to import capital goods needed for production. And this does not include the approximately 100 billion baht that we have to pay foreign merchant ships to transport our goods. Because of this, people in commercial circles have asked the government to promote and support Merchant Marine activities in Thailand after having allowed foreign Merchant Marine fleets to earn huge profits from Thailand for over a century.

Miss Sachi Sirisap, the secretary general of the Merchant Marine Promotion Committee, told KHAO PHISSET that today, Thailand's share of the ocean transport market is only 8 percent. The other 92 percent belongs to other countries, including Japan, Singapore, Malaysia, Indonesia, and the Philippines. The time has come for the Thai Government to take resolute action on this in

order to put Thailand's merchant marine activities on a par with those of other civilized countries.

If the public sector provides support for this, this will help us develop our Merchant Marine sector. But this doesn't mean that we will be able to compete against countries such as Japan and Singapore that control this market. This is because the Merchant Marine business is a special business. It is not carried on within the country only. Most of the time, it is carried on abroad. Competition is fierce, and investments are high. The risk is great, and the return of capital is slow. The important thing is that previous governments did not promote this resolutely. They used the same principles as they did in promoting industry, which is not the right way to promote Merchant Marine activities. But the governments of other countries have actively promoted the Merchant Marine sector. This has included giving tax breaks, reducing customs tariffs, and reducing the cost of leasing ships. Miss Sachi added that the Ministry of Communications has now submitted three draft laws: the Sea Transport Act, the Ship Detention Act, and the Thai Shipping Act. She said that she has been fighting for these three laws for 10 years. In particular, the Thai Shipping Act will prevent foreigners from controlling the ocean transport activities of Thais, because it will stipulate limits on ownership in Thai ships.

The fact that the Ministry of Communications has submitted these three bills to parliament indicates that the state is beginning to attach importance to merchant marine activities. But these three bills do not give any assurance to investors who want to invest in this business, particularly with respect to the government units involved and the steps involved. Such things have been happening for a long time in commercial circles. But no one has dared say anything. An expert on merchant marine activities told KHAO PHISSET that "unfortunately, during the economic boom of the past two to three years, the government has not taken steps to revise the law in order to enable the private sector to invest in this sector. Thus, many businessmen have invested huge sums of money in real estate instead. Actually, they did not want to do this. But government regulations are too complex. Those who want to get involved in this business must be prepared to pass at least four giant barriers, the Customs Department, the Port Authority, the Harbor Department, and the Board of Investment. And sometimes the Posts and Telegraph Department becomes involved.

"Let me give you an example. Recently, a large company in the animal feed business asked permission to bring a ship to Thailand. It had won approval from the Board of Investment, the Harbor Department, the Port Authority, and even the Posts and Telegraph Department. But the Customs Department refused to approve this, saying that the company did not have a notice stating the place of origin of the ship's communications equipment. That's crazy. How could the ship sail thousands of miles across the ocean without communications equipment?

Communications equipment is similar to the components of a car. To date, the company has still not been allowed to bring in this ship," said the news source.

Because of all the problems encountered by ocean shipping from both the government units concerned and foreign competition, some businessmen have turned to investing in cruise ships instead. They feel that Thais are beginning to show a greater interest in ocean travel. During the past three years, cruise ship activities have increased greatly. The groups involved in this include the Sea Tran Travel group, the Siam Cruise group, the Thai Intertransport group, and the Nawakhun Transport group. This does not include the more than 100 small groups active in the provinces.

These groups, too, have encountered obstacles posed by government units, and the obstacles they face are even more serious. This is because most of the businessmen who operate these cruise ships are Thais. This is different from the foreign ships in which Thais hold shares.

The Harbor Department plays a particularly important role. Some people use loopholes and demand that the boat owners pay them in various ways. They also take advantage of their position to travel aboard these ships on a regular basis. Sometimes, they bring along their friends or mistress. They also profit by demanding payments from the owners of the hotels and restaurants built along the rivers. This is certainly a government unit worth watching. [passage omitted]

The Seventh National Economic and Social Development Plan (1992-1996) stipulates that marine transport is to be developed. The emphasis is to be on increasing the role of cargo and passenger transport in keeping with the expansion of the economy both here and abroad. This is to go hand in hand with improving the quality of life and developing the environment and natural resources. The details are as follows:

1. The Thai merchant Marine Service will be developed and promoted. Studies must be conducted in order to formulate a long-term plan for developing the fleet and shipyards in terms of both numbers and quality. Joint investment activities with other countries will be promoted. New ship routes will be opened, and a center for reserving ship cargo space will be established. Air transport will be coordinated with ocean transport in order to increase marketing efficiency.
2. International port capabilities will be increased in keeping with the development of important coastal economic zones.
3. The formulation of plans, the coordination of policies, and the implementation of things having to do with the development of ports and Merchant Marine activities will be accelerated and improved. Also, the structure of the transport system and services connected to the ports will be improved. The purpose of this is to ensure that the shipment of goods to and from the ports is carried on systematically and efficiently.

4. The international ports will be developed so that full use can be made of them. This will be done by developing the infrastructure. This includes improving the roads, railroads, and container loading sites. Marketing activities will be carried on in advance in order to have relationships in line with the use of the ports.

5. People in the private sector will be encouraged to invest in constructing and operating cruise ships. The state will facilitate this by promulgating laws and improving the infrastructure.

6. Support will be given to help make beneficial use of the rivers, canals, and coastal areas in transporting cargo and passengers. In particular, the ports already built by the state must be put to good use. Steps must be taken to involve the private sector in managing things.

7. The important ship channels must be dredged and maintained so that they are wide and deep enough for the ships using them.

8. Measures and modes of operation will be stipulated, and things will be coordinated with the units concerned in order to prevent environmental problems from arising from marine transport. This includes eliminating both liquid and solid waste materials coming from ships, ports, industrial plants, hotels, and houses.

We will have to watch and see whether the units concerned adhere to the Seventh Development Plan or whether this is just a piece of paper that people ignore. If that is the case, don't expect the per capita income of the Thai people to increase to 70,000 baht a year, because there are certain corrupt officials who are dividing the profits among themselves.

SOCIAL

Philosopher Monk Comments on Politics, Socialism

92SE0036A Bangkok *KHAO PHISSET in Thai*
30 Sep-9 Oct 91 pp 18-21

[Article by Khanittha Warasiri on lecture by Buddhist Monk Phra Thammakosachan Phutthathat]

[Excerpts] Note: The outlook for solving today's political problems using worldly methods seems very bleak. But from the standpoint of religious people, there is a way to solve these problems. This lecture by Phutthathat, a Buddhist monk who has a deep understanding of the real nature of the world and society, discusses a way to reach the light.

Dear listeners, in this lecture, I want to discuss the topic "Politics Is a Matter of Selfishness." Politics is complete selfishness. Some will protest, saying, that's been said before. That's being selfish. But today, people are saying something else. That is, some people are saying that politics must be used to correct politics, just like you have to use a thorn to extricate a thorn. "Thorn" has two

meanings. One is the thorn that causes pain when it is stuck in the skin. You use two other thorns to pry out the one causing the pain. A thorn can be used to remove a thorn. Like cures. Now, let's look and see how politics can be used to solve political problems.

You have to know the two types of thorns. The first thing to know is that politics is a matter of selfishness. Politics stems from the selfishness of people and then from a desire to eliminate that selfishness. But it can't succeed in that. It can't succeed because of the selfishness of those people. Problems arise from selfishness and the desire to eliminate selfishness. If people can't succeed in eliminating this problem, it's because of selfishness. Selfishness plays a role at all levels. This is expressed in the single word "politics." It is expressed in the word "selfishness." [passage omitted]

As for politicians, this is a matter of psychological evolution. Political struggles are still evolving. There are various types. Things are still very complex. Politics is responsible for the problems in the world. This is tied to selfishness. Selfishness has created problems. Using selfish people to solve the problems will just make things worse. These are world problems that can't be solved by politics, because politics is bound up with selfishness. About 10 international organizations met to discuss solving the world's problems. All that amounted to was, Who was better at concealing his selfishness? They met in order to implement selfish ploys. Each person claimed that they were taking action on behalf of international society, an international organization, the international police, and so on. But selfishness blocked every attempt to take action.

Only when people are completely free of selfishness will the problems come to an end automatically. When people stop being selfish, the political problems at all levels will end. The spirit of politics is bound very tightly in the hearts of politicians, and their political struggles lead to never-ending problems. The world is politically fragmented. As long as there is selfishness, there will be political problems, and these will just become more and more complex as countries grow. Growth stems from selfishness. Because if people weren't selfish, they wouldn't generate growth beyond what is proper. [passage omitted]

This is the age of technology, or industrial prosperity as they call it. Industry uses machines as tools to produce things. Producing things by machine is much easier and faster than producing them by hand. The things produced by these machines are all sold. If they aren't selling well, they use tricks. People have made trickery into an art, the art of advertising. This has become a science. The science of advertising has become huge. Advertising has persuaded even stingy people to buy things, such as refrigerators.

Religion is not like that. There is no advertising, and no one uses such advertising techniques. It isn't necessary. It's because of the power and effects of advertising that

people have become infatuated with obtaining and buying things that are not essential. Because people are slaves to material things like this, they are slaves to what is called economics. Economic matters are considered to be very important. If a country's economy is bad, it is considered to be on the brink of failure and so attention is focused on aiding the economy. It isn't necessary to be righteous or moral. In such a situation, people use everything possible, including administrative, educational, and religious measures, in order to gain the advantage or get what they want and rise above others. They want to be lords of the earth.

The purpose of rule is not peace but selfish things for one's community, for the country, for several countries, or even half the world. This is what economics is all about. Education serves economics in controlling things, with survival being the goal. Righteousness plays no part. But selfishness makes it impossible to rule. If people weren't selfish, there wouldn't be any need for administration. No one would do anything wrong. If people weren't selfish, we could do away with the prisons, police, and courts. We could even do away with the mental hospitals. We could throw away the laws, because there wouldn't be any need for laws if people weren't selfish. There wouldn't be any need to use laws. We could do away with the criminal laws. [passage omitted]

Selfishness has replaced religion. Laws and religion exist to eliminate selfishness. But today, selfishness has the upper hand. It has even reached the point where selfishness uses religion to provide support. And in some places, religion is the tool of selfishness. People are using religion as a tool to expand their influence or increase their importance. Because of this, it's impossible for people to get along or be close friends. Without selfishness, people would love each other automatically. They would be friends throughout life. This is the meaning of socialism. That is, the goal is to benefit society, not individuals. This is the proper form of socialism. That is, it includes righteousness. Without righteousness, it will

be a socialism of unwholesome desires. It will be a socialism of vindictive people and hurt laborers. The aim of this socialism will be to destroy the other faction. This is a socialism of unwholesome desires, not a socialism of righteousness.

If selfishness can be eliminated, we will automatically have a moral socialism. If liberalism is filled with selfishness, it, too, will fail. The words "for the people, by the people, and of the people" are just for show. If "of the people" means being selfishness, that will fail completely. "Of people" who are not selfish, that is the only way. Liberalism overlooks unselfishness. Unselfishness must maintain the spirit or intentions of liberalism. If desires control the mind, there can be no freedom.

The Buddhist teachings can solve the problems of human society that stem from various inequalities, such as the gap between rich and poor, between stupid and clever, between having power and not having power, and between having friends and not having friends. These are the things that give rise to problems. But if people were not selfish, these problems would simply disappear. What would arise instead? The answer is peace. The people of the world will live in peace and eventually reach a certain level of salvation, such as the level of the saints. Even at that level, there will be peace stemming from the lack of selfishness. If selfishness arises, it will "bite" those who are selfish. Selfishness always turns on the person who is selfish. Thus, politics "bites" the politician, because politics arises from selfishness. And the ultimate goal of politics is selfishness. Politics, which is the product of selfishness, will turn on those who engage in politics.

I would like to conclude this talk on politics by saying that politics is, as I have explained, a matter of selfishness. I hope that all of you who hate selfishness will take steps to do away with this so that proper changes occur and so that righteousness controls your lives and the entire world, which will then be able to live in peace and happiness.

POLITICAL

Official on Normalizing Relations With China

922E0042A Ho Chi Minh City TUOI TRE
in Vietnamese 10 Oct 91 pp 1, 5

[Article by Thuy Duong: "Interview: How Far Has Normalization of Sino-Vietnamese Relations Gone?"]

[Text] From 9 to 14 September 1991, Foreign Minister Nguyen Manh Cam headed a Vietnamese diplomatic delegation on a working visit to China. He was accompanied by Hoang Nhu Ly, head of the Foreign Ministry's China Department. After the trip, Mr. Hoang Nhu Ly granted an interview to TUOI TRE.

[TUOI TRE] What is your impression of your recent trip to China?

[Hoang] The trip marked an important step forward in the process of normalization of Sino-Vietnamese relations; at the same time, it laid the foundation for officially and completely normalizing the relations between the two countries after a 12-year hiatus. During the trip, I clearly saw that the Chinese people still preserve friendly sentiments for and a deep attachment to the Vietnamese people. This stems from the fundamental interests of the peoples of the two countries, who are desirous of friendly and neighborly ties and cooperation in all fields.

During my Beijing-Guilin-Nanning journey, I could see the extensive changes China has undergone during the economic reform and open-door period. China has obtained considerable results that have changed the face of the country. It has achieved a high economic growth rate, has built a sound infrastructure, and has raised its people's standards of living. I hope that in the days ahead relations between the two countries will be back to normal. This would be the outcome of a process, a great effort by both sides.

[TUOI TRE] Would you please tell us how far the restoration of the communications system between the two countries has progressed?

[Hoang] The Hanoi-Beijing air link was restored recently. Besides, on the proposal of China, we have agreed to let it use the corridor A-1, which runs through Vietnam, for its flights to other Southeast Asian countries. Our Chinese friends also wish to restore the Guangzhou-Vietnam-Laos route, but we are still considering this matter and have not made a decision yet. However, some difficulties still remain in the air route question.

In regard to the sea routes, although they have not been officially opened yet, ships from both countries have already exchanged visits. Restoration of rail links have not been concretely discussed yet. The Chinese press has dealt extensively with this subject, probably because railway communications are both convenient and inexpensive. China wants very much to establish a rail link

between Yunnan and Haiphong because it would permit the most economical possible transportation of goods directly from Kunming to Haiphong....

In late October, a Vietnamese communications and transportation delegation will visit China for concrete discussions of this matter.

[TUOI TRE] Could you please tell us about the possibility of economic and scientific and technical cooperation between the two countries.

[Hoang] First of all, this is an equal and mutually beneficial cooperation, with payments to be made in accordance with international prices, and aid-based relations no longer exist as they did in the past. The Chinese side has proposed that Vietnam liquidate its 1978 trade debts in the amount of 27.7 million yuan (equivalent to \$17.5 million at the 31 December 1978 rate of exchange). In early October a Vietnamese economic delegation will go to China to hold discussions and to sign some framework agreements; as for specific business, the companies concerned will make concrete exchanges of views with one another. In regard to an agreement on scientific and technical cooperation, there have not been concrete discussions on this matter yet because of a number of definite limitations. For instance, both we and China lack capital and want to attract foreign capital investment. Therefore, there is the possibility of Vietnam and China cooperating and drawing a third country that has capital into joint investment ventures. Chinese businessmen earnestly wish to do business in Ho Chi Minh City and to set up their offices of representation there.

[TUOI TRE] Before 1979, 280,000 Hoa people went back to China. Recently, foreign mass media reported that about 50,000 Hoa people will return to Vietnam. What is the truth about this matter?

[Hoang] To date, there have been no talks about this issue yet. But I confirm that a bilateral meeting will be held to discuss it. As a matter of fact, because this is a very delicate problem, both Vietnam and China do not like to bring it up now. However, the stance and viewpoint of our party and state are very clear. That is, Vietnamese of Chinese descent who have Vietnamese nationality will be entitled to the same treatment and all rights as Vietnamese citizens; but if they have Chinese nationality, they will be subject to the application of the same policies as applied to other foreign nationals.

[TUOI TRE] In August, we had the opportunity to visit the border in Lang Son and learned that the public order and security situation there had improved. However, many places were still impassable because of mines. Would you please tell us if the border mine-clearance process has begun?

[Hoang] It is true that there still are lots of mines at many points on the border. The state is also thinking of removing them to ensure communications safety in

those areas. But this is a very costly process, requiring billions of dong. For this reason, it is not easy to carry it out right away.

[TUOI TRE] Thank you, Sir.

Party Congress on Ideology, Organization Tasks

922E0047A Hanoi NHAN DAN in Vietnamese
29 Oct 91 p 1

[Article by P.V.: "Solutions From a Party Organization Congress"]

[Text] The fifth congress of the Ho Chi Minh City party organization (second round) concluded successfully after five days of work (from 22 to 26 October). The congress unanimously approved the political report of the fourth-term municipal party committee evaluating the results attained in implementing the resolution of the sixth party congress and the resolution of the fourth congress of the party organization, and the report reviewing the leadership of the municipal party committee and its direction and principal tasks during the 1991-1995 five-year period. The congress elected a 51-member party organization executive committee.

The enthusiastic, prolific discussions before and during the congress and the unanimity of the delegates toward evaluating the situation in all respects and the direction and tasks of the next five years signified an advance by the Ho Chi Minh City party organization. That unanimity itself brought about solutions to the burning economic-social and security-national defense problems, problems regarding development, organization, apparatus, party building, etc. In this article, we will deal with only one of the outstanding questions at the congress: the ideological and organizational tasks.

The municipal party organization congress affirmed that the tasks of maintaining political security and social safety, implementing democracy and renovation, striving for social justice, and doing a better job of playing the role of a central city, including ensuring political security, are tasks of decisive importance. In order to take action, the congress unanimously approved the 10 economic-social goals and four major measures, and regarded them as the minimum goals that must be attained during the next five years. At the same time, a number of important seminars (regarding economics, society, security, national defense, and the mass proselyting and party building tasks) were held in order to implement the congress resolutions as well as possible.

In order to make the resolutions of the seventh party congress and the municipal party organization congress part of life, and transform them into the lively reality of a broad mass movement, the matters of decisive importance are related to the ideological and organizational tasks, which are part of the over-all work of party building. To maintain national independence and socialism, the congress paid special attention to the ideological task, and regarded ideological stability as the

"stability of stabilities." Building a strong party organization that is staunch politically, pure with regard to moral quality, and sufficiently capable to win the people's confidence is an extremely important task and a condition for ensuring that the revolutionary enterprise of our party and people will move forward. But the congress emphasized that the effectiveness of the ideological task is closely related to, and must be based upon, stability and strong economic-social power, in order to escape from the crisis in that sphere. The effectiveness of the ideological task is tied in with the party organization's task of self-renovation and self-rectification, in which the implementation of Resolution 11 regarding the purification of the party organization in the fourth term was only the first step. The effectiveness of the ideological task is related closely to evaluating very correctly the feelings and aspirations of the party members and the masses, especially among the working class, the peasants, and the intellectuals. The effectiveness of the ideological task is related dialectically to the organization and cadre tasks. The concern and dissatisfaction of some true party members and some of the loyal working masses are due to the degeneracy, corruption, and special privileges of some cadres, party members, and state personnel. Therefore, we must eliminate opportunists and corrupt people, improve the leadership of each party unit and party member, and purify our ranks, in order to win over the people. The important thing is that, in view of the challenges and difficulties caused by the negative effects of the world situation, the ideological task must have a strategic outlook, with forecasts of the situation and effective measures, so that it will not become passive.

In order to increase ability to guide and organize, the congress posed the problem of renovating the organization and cadre task, which is important in contributing to stabilizing ideology and political security. The secretary of the municipal party secretary observed very correctly that in the Ho Chi Minh City party organization "party members are numerous but not strong, there are many but their quality is not high; many party members are degenerate and some are deficient." That deficiency indeed exists—deficiency with regard to political skill, intellectual ability, management ability, and way of life. It is especially important to confront and come to grips with the material benefits and traps of the market economy, for which many people have had to pay a price. An analysis of the party membership situation shows that during the past few years more than 4,000 party members have been disciplined, 10 to 15 percent are deficient, and about 50 percent are average. That has exacerbated the pain of the commanders who are devoted to the career of the party and the destiny of the nation. Every corrupt party member causes the party pain, but it is even more painful when a transformed, degenerate element causes the masses to lose faith. Recently, although many efforts have been made in the organization and cadre work, it has not yet met the responsibility assigned it. The cadre work is still piecemeal and forced, and in many instances it emphasizes

structure and lacks long-range training plans. Actual life demonstrates that in the 70 percent of the enterprises which do not operate effectively not only are the cadres deficient but they are not assigned in accordance with their ability, to the right jobs, or according to their strengths. Ho Chi Minh City does not lack talented, capable people. The problem is to have a mechanism to discover, train, employ, and rely on such people, no matter what their origins, including youths. Managers and leaders must first of all have the ability to specialize deeply in the work for which they are responsible, and should not have the attitude that once they are members of a party committee they can be assigned to any position. The congress emphasized that in addition to renovating the cadre work and training and retraining cadres, especially the state management and production-commercial cadres, the party organizations must resolutely expel the elements that are opportunist, corrupt, and bully the people, for as long as they are in the party or the state apparatus there can be no stability with regard to political ideology and the confidence can not be created among the masses. Political stability is an order of life, but it must be based on enforcing laws strictly and fairly. On that basis, we can have cadres who are loyal, and have ability, good moral quality, and revolutionary virtue. To disregard the role of law and stand above or beyond the law is to destroy that stability.

If a resolution is correct but the work of actually implementing it, and especially the cadre work, is not up to the responsibility that is assigned, it will be a vague slogan and empty words.

Finding solutions to the organization and cadre tasks is truly a very big problem for the party organization.

Deputies Make Suggestions on Election Law, Council of Ministers

*922E0040B Ho Chi Minh City TUOI TRE
in Vietnamese 22 Oct 91 pp 1, 2*

[Article by H.D.]

[Text] According to a notice from the Office of the National Assembly and People's Council, the 10th Session of the 8th Term of the National Assembly will be get underway around the middle of December 1991 and run for 16 days.

On 16 October 1991, municipal National Assembly deputies held a meeting to discuss the program for the session:

The National Assembly Election Law should be revised at the 11th Session (scheduled for March 1992) at the same time as the new constitution and the National Assembly Organization Law are passed, because these laws are closely related to each other. The National Assembly Election Law cannot be passed before the new National Assembly Organization Law. If the passage of these laws in March 1992 is too close to election day, the

election should be postponed. If there are pressing reasons for discussing this at this session, the National Assembly should discuss things only. It should not adopt anything.

As for the Council of Ministers' reports to the National Assembly, the deputies suggested that the Council of Ministers set targets and propose specific instead of general programs and measures. The Council of Ministers should report the details concerning budget allocations for each ministry, the expected expenditures of the ministries, the contributions of the localities to the national budget, and central echelon management with respect to each locality.

The deputies also proposed that the Council of Ministers issue more reports on the problems in which the electorate is very interested, such as capital, prices, bank interest rates, the purchasing power of the dong, wage reform, and simplification of the staff. It should review the results in opposing corruption and smuggling and evaluate the results of educational reform.

Report on Ho Chi Minh City Party Congress

*922E0040A Ho Chi Minh City TUOI TRE
in Vietnamese 22 Oct 91 pp 1, 2*

[Article by QV]

[Text] The fifth municipal party organization congress of delegates (Second Round) got underway in Ho Chi Minh City on 22 October.

Attending the congress are 492 delegates representing more than 78,000 party members. Of these, 69, or 14.02 percent are 31-40 years old; 168, or 34.15 percent, are 41-50 years old; 188, or 38.21 percent, are 51-60 years old; 65, or 13.21 percent, are 61-70 years old; and two, or 0.41 percent, are over 70 years old. As for cultural standards, two delegates, or 0.41 percent have a Level-I education; 65, or 13.21 percent have a Level-II education; 425, or 86.38 percent have a Level-III education, and of these, 176, or 35.77 percent are college graduated; and 50, or 10.16 percent, have postgraduate degrees. Four are professors and academics.

According to the documents sent to the delegates prior to the opening of the congress, with respect to mass mobilization work, a report by the Term 4 committee, states that since the implementation of Central Committee Resolution 8B, a number of party committee echelons have given more attention to mass work. However, many committee echelons continue to turn this work over to the party committee members in charge of mass agitation or to the executive committees of the mass organizations or the fatherland front committee. Many party members are still remote from the masses and have not done a good job in carrying mass mobilization activities. The work of mobilizing the religious groups and ethnic Chinese is still weak, particularly in key places. The relationship between the state and the people has improved as a result of implementing the policies on

renovation and democracy and expanding the four movements. But bureaucratic centralism, commandism, and authoritarianism is still a serious problem among many state personnel. A number of unsuitable policies have not been revised promptly. The quality of the activities of the mass organizations, particularly at the primary level, is very poor, and quite a few mass organizations at the primary level are inactive.

As for party building, the report stated that even though life is very difficult and the social environment is complex, many cadres and party members have maintained their quality. They are leading a wholesome life and bearing the difficulties involved in studying and training to improve their capabilities and satisfy the requirements of renovation. But in the face of the situation in Eastern Europe, particularly following the recent events in the Soviet Union, a number of party members have become skeptical, their combat will power and revolutionary zeal has declined, they lack a spirit of responsibility in work, they have become withdrawn and passive, and they are not struggling against what is wrong or protecting what is right. What is most serious is that a small number of party members, particularly those in positions of power, have become infected with pragmatism, self-management, and corruption, and they associate with bad elements in order to enrich themselves and squander public assets. Bureaucratic centralism, remoteness from the masses, and even oppression of the masses are still serious problems.

The general tasks and targets for the period 1991 to 1995 are to maintain political stability, exploit the human potential and the strengths of the city, concentrate on reorganizing, stabilizing, and expanding industrial and agricultural production, commerce, and services, generate accumulation from within the economy, give attention to the material and spiritual lives of the people based on all-round renovation, manifest democracy, reorganize the party, administration, and mass organizations, carry out the city's role well, and actively contribute together with the entire country to getting the country out of the present crisis and building and protecting our socialist fatherland.

General Secretary Do Muoi will attend the congress on the opening day and make a speech. The congress will run from 22-26 October 1991.

Party Organizations Contribute Ideas to City's Party Documents

Sixth, 11th Labor Unions Hold Meetings

922E0031A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 26 Sep 91 pp 1, 2

[Article by H.S., Hg. Ng, and T.L.]

[Text] On 23 and 24 September 1991, the 6th precinct party organization held a meeting to have key cadres from the precinct and subprecincts and retired cadres

contribute ideas to the draft documents of the fifth municipal party organization congress (Round 2).

Most said that the draft political report is still unclear and that it has not been organized properly.

The delegates agreed that in the past several years, the political, economic, and social situation in the city has been very complex. The municipal party organization has provided firm leadership, stabilized political matters, and maintained and expanded production. However, some said that industrial and artisan industry and handicrafts production has not raised the people's standard of living or stimulated agricultural expansion. The three large economic programs have not developed evenly, and the worker-peasant alliance has not been manifested in industrial production to provide effective support for agriculture. The city's investment in construction lacks focus. Attention has not been given to infrastructural elements such as communications and public sanitation. Too much attention has been focused on hotels and dance halls. As for the mass work of the party, some people said that in evaluating mass activities, [the party] relies on policies and positions. But it has not given attention to the specific results of the activities at the primary level. Mass movements have declined seriously. In some places, the mass organizations do not have any influence at all. Many people said that the market economy management mechanism has not been perfected, and the unsuitable financial and banking policies have had a great impact on economic and social development. The evaluations in the draft documents are incorrect, and the municipal leadership has failed to see all the negative aspects that have arisen in the market economy. The control and use of foreign currency is loose, and this has had a bad effect on production and business.

The Precinct 11 party organization recently held a meeting to discuss the draft documents of the municipal party organization congress.

Many people said that there are objective reasons for the losses in production and business stemming from the inappropriate policies and positions. But another reason is that work methods are arbitrary. There is a lack of responsibility and a lack of managerial talent. Besides this, the laxity in inspecting things and the sluggishness in dealing with the negative situations and cases of corruption that have done great damage to state assets have made the socioeconomic situation even more difficult. Negative aspects and corruption have not been blocked effectively. The city has been slow in delineating overall regulations, and this has affected the economic and social development of the city. Attention has not been focused on the people. This is evident from the fact that the roads are deteriorating, the electricity and water systems are weak and insufficient, social morals are declining, and the standard of living of some of the people is declining. Malnutrition among children is increasing. This is a very important social problem that directly affects the nation's future generation. The city's

sanitation problems have not been solved, and this affects the environment and health of the laboring people and shows the city's weaknesses with respect to civilization.

On 25 September, the Municipal Labor Union held an expanded meeting of the executive committee in order to contribute ideas to the draft documents of the municipal party organization congress (Round 2).

Many people said that in the past period, Ho Chi Minh City has always been in the lead in the renovation movement, particularly in the economic sphere, and that it has become the center of the country in many respects. The municipal party organization has made a great effort in leading the city in order to overcome many economic and social difficulties.

However, many people said that the draft political report of the Municipal CPV [Communist Party of Vietnam] Committee does not mention the central role of the city. It does not mention the things that have been done and that have not been done. It does not mention the subjective and objective reasons and does not fully analyze the responsibilities and leadership role of the party in building and developing the city during the past term.

As for economic matters, the city's political report does not point out the progressive aspects or generalize the experiences of the units and people who have achieved results in the work. And it does not analyze the reasons for the losses and credit "squeezes." It doesn't say if these things were due to loopholes and lax management or to cadre staffing. Cadre work must be renovated, and things must be standardized and delineated.

As for social policy, there are still many social evils that have not been mentioned or analyzed in the documents.

Many people said that to have political stability, there must be economic and social stability, suitable policies that will encourage the economic elements to develop, and suitable social policies. These things are not mentioned in the political report.

As for mass movements, many people said that this is the responsibility of the party, authorities, and mass organizations. In the political report, the section on mass agitation must be analyzed more deeply. However, to solve this problem well, the actual situation with respect to democracy and social fairness at the primary level must be evaluated correctly. A very current issue is the wage and income distribution policy.

The Standing Committee of the Municipal CPV Committee has selected the 11th precinct party organization, Cu Chi District, and the Industrial Service to serve as test points in organizing precinct and district level congresses and party organization congresses above the primary level. The Standing Committee of the Municipal CPV Committee has established three work teams headed by three members of the Standing Committee.

The three deputy team leaders are the secretaries of the units selected to serve as test points. It is expected that these three party organizations will have complicated the preparations for the round 2 congress by 26 October 1991 so that they will be ready to hold round 2 congresses immediately following the municipal party organization congress. The Standing Committee will organize meetings with the precinct and district party committees and party committees above the primary level in order to disseminate the lessons learned from these test units.

First, 8th Precincts Share Ideas

922E0031B Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 28 Sep 91 pp 1, 5

[Article by a group of political reporters]

[Text] The 1st precinct party organization held a meeting to obtain the ideas of precinct party committee members and leading party members in subordinate party organizations and party chapters on the draft documents of the fifth municipal party organization congress (Round 2).

Seventy-four people agreed with the basic themes of the draft political report of the municipal party organization. A number of people said that the report is too long and too general. They said that the draft documents must correctly evaluate the slow development of the state economy and review the lax management by the authorities, which has led to a loss of order in the economy. The obstacles in opposing corruption, negative aspects, and smuggling must be analyzed clearly, because these things have led to a situation in which imported goods have flooded the country, killing domestic production. Many people suggested reviewing the state's lax control of cultural, arts and letters, and publishing activities, which has had serious consequences and affected spiritual and social life.

As for party building, many people said that the role of many of the primary level party chapters and party organizations is very vague and that activities are still formal. The resolution promulgated at this municipal party organization congress must put forth specific themes and measures aimed at solidifying the activities of the primary level party organizations. This must be regarded as one of the urgent tasks of the municipal party organization.

The 8th precinct party organization held a meeting at which the key cadres of the precinct and subprecinct party organizations expressed their views on the draft documents of the fifth municipal party congress (Round 2). Most said that the draft political report is relatively accurate and specific in its assessment of the situation, but the guidelines and tasks are still too general and they are not very persuasive. The delegates agreed that in recent years, the city has experienced many complex difficulties. The municipal party organization has provided firm leadership, maintained political stability, and

maintained production. Many people said that the management of the market economy has been lax, particularly concerning foreign economic matters. Although we have attracted foreign investment, there have been many manifestations of spontaneous development, and there are many loopholes in managing exports and imports, which has done much damage.

As for renovating the activities of the state, many people said that the control of the state apparatus is not synchronized. The laws, policies, and positions have not been implemented seriously. With respect to mass movements, many people said that the party committee echelons have given a blank check to those in charge of the blocs and mass organizations. The plans are not thoroughly understood throughout the political system. The administrative echelons and economic sectors have given little attention to mass mobilization. What is worrisome is that the Ho Chi Minh Communist Youth Union no longer plays a major role.

More than 30 intellectuals, older revolutionaries, artists and writers, and monks and priests representing various religions attended a meeting to contribute ideas to the draft political report of the fifth municipal party organization congress (Round 2). This meeting was organized by the municipal fatherland front committee on the morning of 27 September 1991. Pham Van Bay, the vice president of the Economic Planning Federation, and Tran Van Chuong, the vice chairman of the Municipal Lawyers' Association, said that the reason why we have not been able to solve many of the problems in society is that state management is still weak in many spheres. Many people said that efforts must be concentrated on improving the administrative apparatus and solidifying the effectiveness of state management. As for managing and developing the cities, Pham Van Bay said that the state must implement controls in society in order to create sources of investment capital.

Professor Ly Chanh Trung said that the political report of the municipal party organization does not manifest a sense of urgency in the face of the many changes now taking place, and it has not put forth urgent targets. This is particularly true in the case of eliminating corruption and looking after the lives of the people.

With respect to the cultural and arts and letters spheres, writer Do Loc, poet Vien Phuong, and Ho Ngoc Nhuan discussed the decline of the various cultural forms and said that measures must be implemented to protect and exploit the national culture. Do Loc said that the city should establish a national cultural center.

Phan Khac Tu, a Catholic priest, and Thich Vien Hao, a Buddhist monk, said that the religious issues raised in the draft report should be analyzed in greater depth, because during the past several years, religious people have undergone many changes and actively contributed to social life. The authorities should stimulate and make

use of their charitable nature and mobilize the various religions to work with the state in looking after the poor and disabled.

Districts Discuss Documents

922E0031C Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 1 Oct 91 pp 1, 2

[Article by Phong Lan]

[Text] The Binh Chanh and Hoc Mon district party organizations held a meeting for the members of the district party organization executive committee, the secretaries of the party organizations and subordinate party chapters, members of the executive committees of the Retirement Club and Veterans' Association, and older revolutionary party members. They discussed and contributed ideas to the draft documents of the fifth municipal party organization congress (Round 2).

The majority of the party members from these two districts said that the state economic sector has not really played a guiding role in the national economy. The percentage of poor and average units is still high. Many people said that the draft political report has correctly evaluated the situation in opposing negative aspects, smuggling, and corruption in the past period and put forth resolute measures for opposing negative aspects and corruption. In the foreign economic sphere, the damage stemming from the immaturity, lack of vigilance, poor capabilities, and low standards of the cadres engaged in foreign economic activities must be evaluated correctly. Banking activities still focus too much on management. They have not given attention to switching to commercial activities, and they are not economic development levers. Many people said that the state should make economic forecasts in order to limit the bad effects.

Discussing rural development tendencies, many people said that in the past period, the city has not invested enough in agricultural production or rural area development. The city has not manifested a lofty spirit of responsibility with respect to the lives of the peasants. Duyen Hai District still has great difficulties, but it has not been given any attention to these. Many people said that the city must provide concrete guidance with respect to land policies, agricultural cooperatives, and the old problems in agriculture so that the peasants can carry on production with their minds at ease. Material and scientific and technical investments in rural agriculture must be increased, and the increasing separation between material and spiritual life in the rural areas must be limited.

Many people proposed reorganizing state management in cultural activities and blocking the tendency to commercialize culture and arts and letters, which is harming spiritual and social life and destroying moral values. Attention must be given to expanding cultural and arts

and letters activities in remote areas and former revolutionary base areas. As for education, many people suggested improving the quality of the training at the normal schools and implementing compensation measures that will encourage teachers in urban schools to go teach in rural areas. As for renovating the activities of the state, the majority said that the powers and functions of the ward and district authorities must soon be defined in order to avoid having a bad effect on the economic and social management tasks. With respect to mass activities, many people suggested that the party and state control the implementation of the resolutions, such as Resolution 8B and Resolution 25, and give attention to improving the conditions and operating themes of the mass organizations. As for party building, almost all of the people suggested strengthening political and ideological education in the party. Above all, attention must be given to improving the capabilities of the party members. There must be plans to train and prepare the next generation of cadres in order to avoid passivity and confusion in cadre organization.

Motions for Party on Youth Work Discussed

922E0039A Ho Chi Minh City TUOI TRE
in Vietnamese 22 Oct 91 pp 1, 5

[Excerpt from a paper presented at the congress by Youth Union Secretary Le Van Nuoi]

[Text] The strengths and weaknesses of youths have social roots and also special characteristics that must be evaluated together with the level of economic and social development and tied to strata and society. The most important measures with respect to youths, our young citizens, are how they work and study, their attitude toward the positions of the party and the policies of the state, and how they fulfill their obligations to society.

Youths Affirming Themselves

The development of a multifaceted commodity production economy based on a state-regulated market mechanism is the basic factor that is shaping the thinking, actions, and attitudes of youths in social life.

The ever increasing competition of the market economy mechanism is and will continue to be a great challenge. In this, youths must show their ability to move forward and affirm their new social position. Social divisions among youths will continue to occur, with the main reason for this being the differences in social labor conditions, circumstances and abilities. Thus, today, most youths want to raise their cultural and scientific and technical standards, enrich their knowledge, and improve their skills to match the labor requirements of society. Working to improve the lives of themselves and their families and make contributions, youths need the understanding and effects of the union in order to generate many favorable capabilities for that development. They need jobs—stable jobs—higher incomes, and

the necessary conditions so that they can work and make even greater contributions and help enrich the country.

Youths are striving to affirm their role in integrating the country's economy with the world economy, expanding markets, digesting the scientific and technical information, and getting used to the new technology that is being introduced. This is manifested through the movement to study foreign languages and through new sectors such as journalism, electronics, business management, and medical law.

Some youths are engaged in negative phenomena, they accept information passively, they have a crisis of confidence, their ideals quickly wither, they are afraid to struggle, they have not been integrated into the new movement, their morals are declining, and they are selfish and interested only in money. Crime is on the increase, and this has become a major problem for all of society. The objective reason for this is that education has not been renovated quickly, discipline is lax, and in particular, we cannot provide jobs for all the unemployed youths, including students who have recently graduated from school and troops who have been discharged from military service. (Of the 230,000 people in the city who are presently unemployed, about 80 percent are youths.)

Motions for the Party

The promulgation of Resolution 25/BCT marked the beginning of a new period, with the party giving particular attention to youth work. The increased responsibility of the party with respect to youths and Youth Union organizations is manifested in the effort made to renovate the leadership methods of the party committee echelons with respect to the Youth Union and the effort to increase the state's responsibility to the Youth Union and youths in order to generate greater efficiency.

We suggest that the Municipal Party Organization and the Municipal CPV [Communist Party of Vietnam] Committee give more attention to manifesting the role of the organizations and social scientists in studying and solving the problems of youths during the development of a market economy and in the new political situation in order to prepare a scientific basis for evaluating youths and renovating youth leadership methods. At the same time, attention must be given to training and using Youth Union cadres, young cadres.

The state system must constantly increase its macrocosmic management role, manage things based on sector, use laws to exert social control, and professionalize the state management apparatus. These are positive steps that will stimulate the expansion of social democratization. Youths will be targets who will be attracted to this developmental tendency. At the same time, youths will play a key role with respect to the state. We believe that the state will give more attention to the role of youths. The traditional view that "youths are the pillar of the state" will be clearly acknowledged if it is realized that they are the production forces with the greatest potential

and the ability to adjust to science and technology, the new technology, and scientific economic management methods. Thus, as a result of the effects of Resolution 25/BCT, state investment in youth work will make rapid progress and be manifested through the policies on developing the talents of youths, the policies on jobs, training, and science and technology and the other regulations of the state such as the Youth Law, and the state organizations in charge of youths, with the aim being to stimulate the country's potential existing in its youths. Youth work must stem from the strength of all of society.

MILITARY

Defense Industry in New Situation Discussed

922E0050A Hanoi NHAN DAN in Vietnamese
4 Nov 91 p 3

[Article by Le Hoe: "The Defense Industry in the New Situation"]

[Text] From the very first years of the century industrial products and defense industries, such as iron and steel, guns and ammunition, artillery, airplanes, tanks, and warships, have been used to compare and evaluate the potential and strength of two belligerent. As a matter of course, defense industry became a challenge with regard to national defense. However, victory does not in all cases belong to the side with superiority in that comparison. The actualities of Vietnam's resistance wars against foreign aggression proved that one should not be overwhelmed and shaken by the modern defense industry of the adversary. We also could not do without an independent defense industry that was capable of equipping itself, to the minimum degree, for the nation's defense.

Realizing that at an early date, at the end of 1945 President Ho Chi Minh issued a decree setting up the ordnance bureau, the predecessor of Vietnam's ordnance branch and weapons production industry. Under the extremely poor conditions of the nation's economy and industry, we made strong efforts to supply to our Armed Forces weapons that were appropriate to the fighting methods on the battlefields and produced while gradually building up the sector.

At present, because of the nation's great renovation task, in which the entire party and population are carrying out simultaneously the two strategic missions of building and defending the fatherland in close accordance with the adjustment of strategy and national defense, our country's defense industry has focused on serving the task of providing technical support for and maintaining the existing technical military equipment. The production of replacement parts and equipment has become very important, in order to eliminate the imbalances and incompleteness in the equipment and weapons of the units, combat arms, and Armed Forces branches. Meanwhile, we are continuing to research, design, and produce complete technical military equipment, in accordance with the nation's economic and industrial capabilities

and the requirements of military art and the mission of defending the fatherland. It is possible to advance from supporting units at a certain echelon. All efforts must be made to maintain the existing defense factories and transform them into the backbone of the nation's defense industry. Because our economic capabilities are still limited, we must pay even more attention to the effectiveness of investment, draft production plans, and determine the steps that are appropriate to the process of socialist industrialization.

Also along those lines, in recent years the defense factories have produced increasingly greater quantities of civilian goods. If in 1986 consumer goods accounted for only 50 percent of the total value of production, in 1990 that ratio had increased to 89 percent. Meanwhile, the factories have continued to fulfill the national defense tasks assigned them, including the ad hoc ones. Factories 113, 121, 131, etc., have opened up many prospects for combined production in order to serve both national defense and the economy, manifested in many respects. Orientation toward civilian products is appropriate for traditional techniques, which can both increase incomes and maintain skills and defense production capability. In the past, to produce some materials it was necessary to import and we expanded secondary production to provide jobs for cadres and workers. In the past, the actual situation caused the defense industry to be practically confined to the Army, but now it has become an element producing regularly for the national economy.

ECONOMIC

Progress in Paper Production Noted

922E0036A Hanoi QUAN DOI NHAN DAN
in Vietnamese 11 Oct 91 p 3

[Article by Le Thu: "The Union of Paper, Timber, and Match Production and Import-Export Enterprises—Paper Production: A Page Has Been Turned"]

[Text] Paper is an object of diversified socioeconomic demands. In our country, the papermaking industry is gradually shifting from manual processing to the modern industrial production line method not only to meet the demand for book printings, newsprint, and writing paper, but also to turn out various kinds of high-quality paper such as cement bagging, cigarette paper, oil filter paper.... At present, paper is in great demand both on the domestic and international markets.

Entering 1991, the Union of Paper, Timber, and Match Production and Import-Export Enterprises increased its output target to 79,000 tonnes (or 137 percent of the 1990 output), despite its remaining difficulties regarding raw materials and supplies necessary for production, and despite high production costs and a lack of foreign currency for materials import and debt servicing.

Our country abounds in raw materials for papermaking such as ordinary bamboo, "nua" bamboo, "lo o"

bamboo, and wood, especially pinewood. But, in the long run, there ought to be coordinated action for appropriate investment in planting pine forests, in making the fullest use of the sugarcane dregs of the various sugar refineries such as La Nga, Van Diem, Viet Tri, and so forth. We should collect about 30,000 tonnes of scrap paper and 15-20,000 tonnes of various kinds of thorny bamboos. We must study at an early date the use of various species of large-leaf trees such as eucalyptus and cajeput to supplement our sources of raw materials for papermaking. On the basis of market demand, the paper industry has taken the initial step in renovating its planning work to expand production and to overcome persistent weaknesses, namely its being irresponsive to market situation and its failure to pay attention to advertising and introducing its products at home and abroad.

At present, the Tan Mai and Vinh Phu papermaking complexes are stepping up pulp production to help other papermaking units in the sector to raise their product output and quality. Production of high-quality paper such as paperboard for use in making export containers, cigarette paper, and oil filter paper has begun to expand. The Union of Paper, Timber, and Match Production and Import-Export Enterprises is striving to achieve the export target of 22,000 tonnes of products. To this end, the union has looked for many customers and has called for bidding to get the highest possible prices for its products. Only on this basis can the union obtain foreign currency for the import of spare parts, materials, machinery, and equipment.

Generally speaking, the living standards of paper industry workers over the past years have been low, with their average salary not exceeding 100,000 dong a month. This year, aside from expanding sideline production, the paper industry advocates increasing its workers' income by 30 percent over 1990. The Tan Mai, Dong Nai, and Vinh Phu papermaking complexes and the Papermaking Science Enterprise are units that are carrying out production efficiently, thereby ensuring the livelihood of their cadres and workers.

Papermaking establishments in various localities such as the rudimentary papermaking cooperatives and teams have made no small contributions to the volume of paper production, even though their products are of a poorer quality than those of the state-operated enterprises. For this reason, a harmonious coordination of production and business relations between the localities, the territorial regions, and their subordinate enterprises on the one side and the entire paper industry on the other side in the fields of planning, investment, organization of joint ventures and associations, cooperation in contractual work, import-export, and so forth, is also a practical way to promote production and trading in each region and each place depending on the situation of each locality. In reality, this is a kind of work that has a mass character and that makes use of manpower. Therefore, if the association of paper industry assumes this task, it will achieve much better efficiency.

The advanced countries in the world have used pulp to make tableware and hospital uniforms which are both convenient and hygienic. This is a realistic goal that Vietnam's paper industry will certainly attain after ensuring sufficient paper supplies for ordinary consumption. There remain many different views on the quality and prices of paper. However, the control of newsprint prices has somewhat hurt producers at a time when the prices of raw materials and chemicals and the cost of production are constantly increasing. In the state-operated papermaking complexes, this price control has directly affected workers' salaries. On their part, prospective investors in the papermaking industry, including foreign investors, have appeared hesitant. The papermaking industry has stabilized and has switched to the market mechanism and its autonomy in production and trading has begun to have an impact. However, it still needs time to accumulate capital and to make investment for production development. Only in this way will it be able to fully meet the demand for paper and to ensure high economic efficiency in paper production and trading.

Formally founded in July 1990, but today the Union of Paper, Timber, and Match Production and Import-Export Enterprises still has not been given capital by the state for import-export operations. At present, the union is acting as an agent for various enterprises. In 1990, the export of paper products alone was valued at \$12 million, an encouraging achievement for the papermaking industry, which has been through many ups and downs. But it is not simply a matter of the volume of exports. In 1991, our paper industry has begun to produce different kinds of high-grade paper for export. For example, the cement bagging produced by the Tan Mai paper mill has a stretch capacity of 5,000m and a pressure capacity of 3 kg per square centimeter. The industry has also further improved the quality of high-grade paperboard by applying paper-surface hardening techniques; has produced on an experimental basis various kinds of asbestos cans on a medium scale; and has produced cigarette paper at the Binh An Papermaking Enterprise, which has a production capacity of 500 tonnes per year, thereby saving foreign currency. Despite its remaining difficulties, the Union of Paper, Timber, and Match Production and Import-Export Enterprises, with its steps in the right direction, has created the premises for the Vietnamese paper industry to turn a new page in the production and import-export of paper.

SOCIAL

Employment Situation in Rural Areas

922E0035A Hanoi *QUAN DOI NHAN DAN*
in Vietnamese 29 Sep 91 p 2

[Article by Vu Trong Ha, Youth Committee of the Youth Union Central Committee]

[Text] A Few Observations About the Actual Situation

Approximately 50.6 million people, or 78.6 percent of the population of the entire country, presently live in

rural areas, and in these areas, there are about 26 million people of labor age, which is approximately 75 percent of the country's laborers. This is a source of great potential for our country's economic and social development strategy. Renovating the management mechanism, implementing the policy of turning over land to the laborers, and using the agricultural households as the basic economic units that have the right to organize and control production and business labor have created a new mechanism for linking those directly engaged in production with the production support services. There is a new capability for attracting laborers and enabling the laborers and arable land to be used more effectively. The laborers can actively use their land on the spot and in the various regions and areas of the country. Thus, the "jobs" problem of the laborers has improved as compared with before.

However, because the economic and agricultural policies of the party and state are not synchronized or perfect and because state investment in the rural areas is very small as compared with other economic sectors, on a social plane, in the past period investments in agricultural laborers were equal to only 8.4 percent of investments in industrial workers. This is a notable injustice that must be corrected. In the rural areas today, the fact is, agricultural production accounts for 80-90 percent of production. Rural area industry and other sectors account for a very low percentage. The traditional occupations are encountering difficulties concerning distribution and product markets, incomes are not stable, and the new sectors introduced here require much capital and technology. The organization and management of commercial production is presently at a very low level. The average amount of farmland per farm laborer is very small, and the situation is growing worse because of the increase in the size of the population. Each year, each laborer spends only 40 percent of his time engaged in agricultural production, which is of a seasonal nature. Also, the distribution of labor is not even among the sectors.

Along with this, each year, approximately 500-600,000 new laborers enter the rural area labor force. This includes graduates of primary and middle general schools, colleges, and vocational middle schools, soldiers who have been demobilized, workers who have been left bankrupt industrial enterprises, and international cooperative laborers who have returned home after completing their tasks. The above problems have created a fact of life about labor in the rural areas: Some of the laborers do not have jobs or are employed only part of the time. There is unorganized and uncontrolled movement of laborers among the various areas. The tension here is just as bad as that in the urban zones.

In the rural area labor force, youths play a very important role, accounting for 51 percent of the total number of agricultural laborers. They are a young and healthy labor force with specific knowledge, and they are the

ones who are shouldering the heaviest tasks in the rural areas. But this is the force that is suffering the worst from unemployment, because in addition to the objective factors mentioned above, young laborers tend to be unstable because they have just begun working and are not yet highly skilled. Few are owners of family economic units. This is a labor force for which there are circulation needs. These are the targets when society transfers laborers. This is because there is not enough work in the rural areas, and incomes are low. In order to overcome the difficulties in daily life and satisfy their desire to become rich, after each harvest, a large number of laborers (mainly youths) take up trading, move to other areas in search of work, or join a free labor unit "to mine gold and gemstones, make local products, or work along the border." Along with these units, many social problems have arisen, such as smuggling, theft, and other social evils. This is a phenomenon that not only wastes labor and damages the economy and natural resources of the country but also makes the country's already difficult economic, political, and social problems even more complex.

To implement the party's policy of renovating the economic and agricultural management mechanism and satisfy the needs of the youths, the Ho Chi Minh Communist Youth Union Central Committee has, in coordination with the agricultural sector, launched a "rural youths engaged in excellent production and business" movement. This is aimed at motivating youths to use their intelligence and talents to expand production and develop occupations in the rural areas in order to enrich themselves and society. This will contribute, together with society, to creating jobs for rural youths. In order to do this, during the past two years, the conditions have been created to help youths in a number of jobs. For example, scientific and technical training classes have been held, meetings have been held to exchange opinions, youths have been helped to improve their intensive cultivation skills, and things have been organized to manage commercial production.

In conjunction with the sectors concerned, various activity forms have been organized. These include youth scientific and technical units, crop variety service units, vegetation protection units, irrigation units, and agricultural encouragement units (to guide VAC [V meaning garden, A meaning fish pond, C meaning stable] economic work). Integrated commercial stores, market management units, and cultural-social service units have been established. These units have undertaken water conservancy, communications, crop growing, and social welfare projects and expanded the occupations in order to help provide permanent jobs for youths on the spot and transfer youths to build new economic zones.

However, to date, only about 25-30 percent of the union bases have organized such activities. These are models that can participate with the sectors in providing jobs for youths. But because of the objective factors mentioned above and because many union bases are weak and have

not keep pace with the situation or launched this movement, the movement's effect in creating jobs for rural youths is still very limited.

Thus, the matter of creating jobs for youths in an organized and stable manner must be given attention above all in the rural labor forces, and this must be regarded as the economic and social target of the government and of each echelon.

A Number of Solutions

To contribute, together with society, to creating jobs for rural youths, the Youth Union Central Committee advocates promoting the "rural youths engaged in excellent production and business" movement and strengthening and expanding the cooperative relationship with the sectors and domestic and foreign socioeconomic organizations in order to create the necessary conditions for the movement to grow and to contribute to creating jobs for youths. The main direction for the coming years is:

The vocational standards of rural youths must be raised through scientific and technical activities and training. Centers for passing on the scientific and technical advances, youth scientific and technical clubs, agricultural encouragement programs, and youth technical demonstration centers must be established at the various echelons.

Production-cultural-social service organizations, agricultural products processing organizations, and VAC economic development organizations must be established and expanded.

Contracts must be signed to build economic, social, and communications projects in the rural areas.

Centralized labor formations, such as assault youth, must be organized to engage in economic activities, such as planting trees and raising and catching marine products, to expand occupations in the localities, or to build new economic zones.

Propaganda activities must be organized, and rewards must be given to encourage collectives and individual youths to make innovations in organizing production and business activities that create jobs for youths.

Training centers to introduce district and municipal level jobs must be built in order to exploit the traditions and introduce new occupations to the localities based on encouraging excellent occupations.

Article Discusses Employment-Related Issues

922E0033A Hanoi NGHIEN CUU KINH TE
in Vietnamese No 4, Aug 91 pp 34-38

[Article by Le Hong Ky]

[Excerpt] I. Jobs, a Socioeconomic Key Point

1. Jobs: There are different views on jobs, but the fact is, the peasants in the rural areas and housewives in the

cities have much spare time and low incomes. The majority need more work. It is estimated that approximately 10 million people, or 25 percent of the labor force, are not being used in production, and this is probably accurate. At the same time, nationwide, more than 1 million people reach work age every year.

Researchers have evaluated the consequences of the lack of jobs. Here, I would like to make a number of preliminary points:

On the economy: It costs several million dong to raise each laborer until they reach the minimum work age. If they are supported until they complete school, their families and society must invest much more. If a family spends 4 million dong to support a child to the age of 18, that means that for 10 million laborers, society will have accumulated about 40 trillion dong.

If half of these laborers are employed with low productivity, production revenues for society will increase approximately 2 trillion dong per year.

As compared with the the annual investment budget, which is approximately 2 trillion dong, the above figures are very significant.

In conditions in which we lack modern technical equipment and our investment capital is limited, our laborers represent a potential that must be exploited in order to generate initial accumulation.

2. On society: Labor, a special asset, cannot be viewed as a stagnant asset. Even without output, there must still be inputs in order to survive, which will have many consequences for public assets, natural resources, and social life. Of the quarter of the laborers who are not being used efficiently, many are leading very uncertain lives. Lacking jobs, many families will encounter difficulties in educating their young children, providing medical care for the sick, and supporting the elderly. The constant pressure regarding jobs has also contributed to the outbreak of many negative phenomena in the management apparatus, limited democracy, reduced people's enthusiasm, and reduced the people's confidence.

I think that in the strategy for man, the important thing is to create jobs for the laborers so that they have the income necessary to create the preconditions for exploiting other aspects. Today, work is the leading target in order to solve the economic and social problems and stabilize and expand things based on a socialist orientation.

II. Jobs, the Potential of Each Economic Zone

In order to create jobs, there must be investment capital and product distribution markets. These are the problems that must be examined in today's actual conditions.

1. Jobs in the state economic sector, a narrow door:

After many years of concentrating investment capital and a large portion of the foreign aid received and taking

over the large production installations in the south, there are now almost 3.8 million laborers in the state sector. Of these, almost 2.5 million, which is approximately 10 percent of the total number of laborers in the country, are engaged in producing materials. Even this number is more than is needed. The state's limited investment budget cannot create many additional jobs, fewer than necessary to absorb the surplus laborers. During the period 1985-1989, with total investments reaching almost 100 billion dong, or about 10 trillion dong in 1982 prices, the number of state laborers did not increase. By 1990, as compared with 1986, the number had declined by 249,000 people. With today's investment budget of approximately 2 trillion dong per year, if we receive a corresponding amount in foreign aid, that will double the amount, but the money must be concentrated on high technology or infrastructural projects that use few people in operations, management, and production. Even if this adds several hundred thousand jobs, that is still just a tiny fraction of the number of people reaching labor age each year. The construction forces will not increase very much either, because after building the large projects of the 1980s, such as the Thang Long, Tri An, and Song Da projects and the Vung Tau oil and gas project, things will be much slower for the construction units in the 1990s. The main need for this sector is new equipment.

Given the above situation, in the coming years, the state sector will have very few, if any, openings for the laborers who need jobs.

2. Job possibilities in the non-state economy:

Jobs in the non-state economic sector have various possibilities:

There is the strong motive force of the motto "self-help." Greater prosperity will generate greater dynamism.

Full use can be made of the existing material conditions, with the investment share for each laborer being low. In Ho Chi Minh City, individual household investments amount to 1.3 million. For private enterprises it is 3 million, and for the local state economy it is 12 million for fixed assets per laborer.

With little investment capital and great dynamism, if obstacles are encountered, the direction can easily be changed without doing much damage.

At a time when the state budget cannot invest several million dong per laborer in order to create jobs, a part of the population can create jobs by using savings, borrowing money, and so on.

Today, our country still has important sources, such as:

The gifts sent by relatives living abroad can be used to create jobs instead of consuming things, and there can be investment cooperation.

There must be a balance between investing in education and jobs based on the abilities of the youths.

The spontaneous changes in recent years in the non-state labor sector are reflected in the following data:

Table

[Item]	1987	1989	Increase	Decrease
1. General students	12,623.1	11,710.1	—	7.2%
Of these, middle general school students	911.8	622	—	27%
2. Non-state professional laborers	2,016.3	1,749.4	—	13%
Of these, private individuals	796.6	923	16%	—
Commerce and food and beverages to support individuals	640.3	972.7	24%	—

3. Jobs in the rural areas

Agricultural laborers, most of whom are non-state laborers, have the following special characteristics:

During the period 1983-1989, agricultural laborers accounted for 72 percent of the laborers in general and about 77 percent of the laborers in the materials production sector.

During the period 1985-1989, the number of laborers in agriculture increased 10 percent, but the area under cultivation increased less than 5 percent, and in this, the area cultivated in grain crops increased less than 5 percent.

Even though 1989 was a year of great agricultural growth, this was due mainly to the increase in labor

strength. Material losses rose from 29.2 percent to 33.5 percent, and labor was about the same as in 1985 (increasing 0.27 percent).

As compared with the economic sectors in general, the main agricultural indexes showed a notable decline:

Gross product: 36 percent in 1989 as compared with 43.5 percent in 1985.

National income: 46 percent in 1989 as compared with 50.8 percent in 1985.

Labor productivity: 62 percent in 1989 as compared with 65.5 percent in 1985.

Labor productivity is low, and there is much idle time. If there are enough jobs and the labor productivity of society increases to a medium level, the national income

will increase 28 percent, which is equal to more than 5 trillion dong, and productivity in the building sector will increase another 4 trillion dong (1989). One half of this is equal to the annual investment budget. Increasing labor productivity and revenues will create broad consumption sources in the rural areas. If 75 percent of the farmers increase their spending by an average of 2,000 dong per person per month (10 percent of the 1989 index), the amount of ordinary consumer goods sold will increase by almost 1.2 trillion dong. If the 1989 wage level of the peasants increases to the same level as that of workers and civil servants (22,667 dong per month), that will mean an increase of approximately 3.5 trillion dong in agricultural products.

Conversely, if the sluggish development continues, the agricultural population as a whole will hold back economic development in general. People continue to leave the rural areas at a time when the cities are overcrowded in terms of housing and jobs.

However, because the amount of arable land is limited, increasing labor productivity in agriculture will also increase the already large number of surplus laborers. Measures such as moving people and reclaiming wasteland, which are very expensive, and providing jobs for only some of the surplus laborers have been implemented for many years with very limited results. I think that the main ways to provide jobs in agriculture are:

Additional occupations in which people can engage in production on the spot must be created.

New industrial-commercial sites must be created based on the urban projects in order to put a number of laborers to work building these towns. (Actually, towns, mainly trading centers, have sprouted up spontaneously along the communications routes.) These industrial-commercial sites will help reduce the overcrowded situation in the cities and serve zonal markets and outside circulation depending on the conditions existing in the localities. These industrial-commercial sites will also aid the production activities of the peasant households.

A commodity economy must be developed in agriculture. Here, there must be a reasonable balance between [using laborers] and replacing laborers with imported technical means.

The construction of housing in the rural areas must be encouraged. (In nine northern provinces, only 32.8 percent of the housing is permanent housing, and in 10 southern provinces, only 9.5 percent is permanent housing.)

To carry out the above, it may be possible to attract investment capital from the prosperous elements in the rural areas and from non-rural zones. The state can invest part of the agricultural tax or sell land use rights, particularly in the newly zoned towns.

The state can set aside part of the money accumulated from agriculture to satisfy the cultural and social needs

(to provide help with respect to the essential needs) and regulate incomes in the rural areas. This should include changing the use of the land fund with respect to policy categories, because this has posed an obstacle to expanding agriculture and achieved very little (when allocating land to families that lack manpower).

4. Expand the markets:

The people must be encouraged to invest money to create jobs. At the same time, markets must be created. I would like to mention a number of guidelines:

Supplying export goods: The non-state economy of the people is composed mostly of small investments and artisan industry and handicrafts production. Because of this, these can be products that have undergone preliminary processing and that are then finished at production installations having higher technical standards, mainly state-operated installations. A number of types of products can be exported in the form of supplying raw materials or products that have undergone preliminary processing.

Replacing imported goods: Consumer goods valued at more than 300 million rubles-dollars were imported in 1989, and that does not include smuggled goods or gifts. Non-state production, with its highly dynamic nature and with the state's stimulative measures, can replace part of the imported goods and account for an important share of the market.

Regulating incomes, reducing differentials, and putting an end to illegal income will increase the amount of essential consumer goods that can be produced domestically and reduce the amount of high-grade imported consumer goods.

Expanding consumer needs with respect to domestic production: First of all comes the housing problem. The average area nationwide is only 8 square meters per person. In the cities, permanent housing accounts for only 12.1-43.1 percent of the housing (one-three square meters per person.) In 19 provinces, permanent housing accounts for only 20.1 percent (1.6 square meters per person). Thus, housing needs are very great. Building a small house does not cost much more than buying a motorcycle, but buying an imported motorcycle is easier than building a house using domestic materials and labor. Favorable aid policies on building housing will create a broad market and create many jobs in the country. [passage omitted]

BIOGRAPHIC

Information on Personalities

92P30039A

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless

otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

Cu Dinh Ba [CUF DINHF BAS]

*Director of the Eastern Europe Department, Ministry of Foreign Affairs; on 5-9 July he welcomed a Romanian delegation in Vietnam. (HANOI MOI 10 Jul 91 p 1)

Lo An Binh [LOF AN BINHF]

*Vice chairman of the People's Committee, Son La Province; he was interviewed by the cited source. (HANOI MOI 22 Sep 91 p 1)

Nguyen Can [NGUYEENX CAWN]

*Ambassador and deputy head of the SRV Permanent Delegation at the UN; on 15 September he met with U.S. veterans. (Ho Chi Minh City SAIGON GIAI PHONG 17 Sep 91 p 4)

Tran Huy Chuong [TRAANF HUY CHUWOWNG]

Assistant to the minister of foreign affairs; *director of the Southeast Asia and South Pacific Department, Ministry of Foreign Affairs; on 17 September he welcomed a Thai delegation in Hanoi. (HANOI MOI 18 Sep 91 p 1)

Huynh Cuong [HUYNHF CUWOWNG]

Vice chairman of the National Assembly; *member of the Central Committee of the Seventh CPV [Communist Party of Vietnam] National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Nguyen Canh Dinh [NGUYEENX CANHR ZINH]

Minister of water conservancy; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Nguyen Tan Dung [NGUYEENX TAANS ZUNGX]

CPV deputy secretary and chairman of the People's Committee, Kien Giang Province; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Ha Quang Du [HAF QUANG ZUWJ]

First secretary of the Ho Chi Minh Communist Youth Union; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Do Binh Duong [DOOX BINHF ZUWOWNG]

*CPV deputy secretary, chairman of the People's Committee, Ha Bac Province; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Pham Dinh Dy [PHAMJ DINHF ZY]

*Deputy secretary of the CPV Committee, Ha Tuyen Province; on 23-25 Sep 91 he welcomed Chairman of the State Council Vo Chi Cong visiting his province. (NHAN DAN 27 Sep 91 p 1)

Le Van Dy [LEE VAWN ZYX]

First vice minister of heavy industry; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Ha Dang [HAF DAWNG]

Editor in chief of NHAN DAN newspaper; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Tran Van Dang [TRAANF VAWN DAWNG]

Secretary of the CPV Committee, Vinh Phu Province; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Nguyen De [NGUYEENX DEEJ], Lieutenant General

Commander of the 9th MR; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Dinh Phu Dinh [DINH PHUS DINHJ]

Ambassador and *head of the SRV delegation to the EC; on 16 September he presented his credentials to the president of the EC. (HANOI MOI 19 Sep 91 p 4)

Nguyen Xuan Du [NGUYEENX XUAAN DUR]

*Secretary of the CPV Committee, Lam Dong Province; recently he welcomed General Secretary Nguyen Van Linh when the latter visited his province. (HANOI MOI 19 Jul 91 p 1)

Truong Quang Duoc [TRUWOWNG QUANG DUWOWCJ]

*Director general of the Customs General Department; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at this congress. (NHAN DAN 28 Jun 91 p 3)

Nguyen Gioi [NGUYEENX GIOWIS]

Vice minister of water conservancy; recently he visited flood victims in Dong Thap Province. (Ho Chi Minh City TUOI TRE 17 Aug 91 p 1)

Nguyen Ngo Hai [NGUYEENX NGOO HAI]

Member of the CPV Central Committee; *secretary of the CPV Committee, Bac Thai Province; he was re-elected to the latter position at a party congress in his province. (NHAN DAN 2 Oct 91 p 1)

Trinh Tien Hoa [TRINHJ TIEENS HOAF]

Deputy secretary of the CPV Committee, Ha Son Binh Province; he was mentioned in an article on his province. (NHAN DAN 24 Sep 91 p 1)

Ha Thi Khiat [HAF THIJ KHIETS]

*Member of the CPV Central Committee; *chairwoman of the People's Council, Ha Tuyen Province; on 23-25 September she welcomed Chairman of the State Council Vo Chi Cong who was visiting her province. (NHAN DAN 27 Sep 91 p 1)

La Ngoc Khue [LAX NGOCJ KHUEE]

*Vice minister of communications, transportation, post and telegraph; on 31 July he chaired a conference on public transportation in Hanoi. (HANOI MOI 1 Aug 91 p 1)

Pham Van Lang [PHAMJ VAWN LANG], Colonel

SRV military attache in Cambodia; on 21 September he was present at a farewell ceremony for a Vietnamese delegation which just concluded a visit to Cambodia. (HANOI MOI 23 Sep 91 p 1)

Le Kim Lang [LEE KIM LANGJ]

*Vice minister of trade and tourism; on 17 Sep 91 he welcomed a Thai delegation visiting Vietnam. (HANOI MOI 18 Sep 91 p 1)

Pham Tam Long [PHAMJ TAAM LONG]

Vice minister of interior; on 3 October he gave a speech at a meeting marking the 30th signing anniversary of the Fire Prevention Regulation. (HANOI MOI 4 Oct 91 p 1)

Pham Si Liem [PHAMJ SIX LIEEM]

*First vice minister of construction; he was interviewed by the cited source. (Ho Chi Minh City TUOI TRE 8 Oct 91 pp 1, 5)

Nguyen Dinh So [NGUYEENX DINHF SOWR]

Member of the CPV Central Committee; *CPV secretary of Ha Tay Province; on 25-26 September he attended the second party congress in Phuc Tho District. (HANOI MOI 4 Oct 91 p 1)

Nguyen Dinh So [NGUYEENX DINHF SOWR]

CPV secretary of Ha Son Binh Province; *member of the Central Committee of the Seventh CPV National Congress; he was elected to the latter position at the congress. (NHAN DAN 28 Jun 91 p 3)

Ly Tai Luan [LYS TAIF LUAANJ]

Vice minister of finance; recently he attended a conference on national debts. (Ho Chi Minh City TUOI TRE 27 Aug 91 p 3)

Hoang Thua [HOANG THUWAF]

*Chairman of the People's Council, Ha Tuyen Province; on 23-25 September he welcomed Chairman of the State Council Vo Chi Cong who was visiting his province. (NHAN DAN 27 Sep 91 p 1)

Le Van Triet [LEE VAWN TRIETS]

*Minister of trade; on 10 August he was elected to this position by the National Assembly. (NHAN DAN 12 Aug 91 p 1)

Vu Xuan Vinh [VUX XUAAN VINH], Major General

Director of the Foreign Liaison Department at the Ministry of Foreign Affairs; on 17 September he was present at the talks between a Thai delegation and officials at the Ministry of Foreign Affairs. (HANOI MOI 18 Sep 91 p 1)