

The two countries are still narrowing differences over transportation routes, as China favors the indirect Seoul-Tokyo-Beijing, or Seoul-Beijing [as received] route over the Yellow Sea.

The indirect routes linking Tokyo or Hong Kong require a six-hour flight, compared with 90 minutes for the direct route over the Yellow Sea. Flight costs on the direct route would cost only one-fifth of those for the indirect routes.

The government is also willing to allow agreements between shipping companies of the two countries for passenger ship service.

Meanwhile, the Korea National Tourism Corp. recommended global tours. Hanjin Travel Service Co., and Korea Travel Bureau Inc. as counterparts for the China International Travel Service.

In a related development, Cho Chung-kon, president of Korean Air, visited China and the Soviet Union last month to discuss the inauguration of flights linking Korea and the two communist countries.

Korean Air hopes that temporary air routes—to link South Korea, China and the Soviet Union during the Seoul Olympics—will become regular routes after the Olympics.

During the games, the Soviet Union plans for its aircraft to fly to Seoul via Beijing and over the Yellow Sea or via Vladivostok and Kangnung, while China plans for its aircraft to fly directly to Seoul over the Yellow Sea.

SFRY Trade Office Scheduled To Open 1 September
SK0508073288 Seoul YONHAP in English
0725 GMT 5 Aug 88

[Text] Seoul, Aug. 5 (YONHAP)—Yugoslavia is scheduled to open a trade representative office here on Sept. 1, officials at the semi-governmental Korea Trade Promotion Corp. (KOTRA) said Friday.

The scheduled opening of the trade representative office, to be headed by Dimitri Grcar, adviser to the Chamber of Economy of Slovenia, follows an agreement between Seoul and Belgrade on the mutual exchange of trade offices.

Under the agreement, KOTRA established a trade office in Ljubljana, capital of Yugoslavia's Slovenian republic, in June.

Once the Yugoslavian trade office opens, it will mark the second time that an East European country will establish a trade office in South Korea, following the establishment of a Hungarian trade office in March.

South Korea has no diplomatic relations with East European countries.

Iraqi Planes Bomb Daelim Plant in Iran
SK0408235988 Seoul THE KOREA HERALD
in English 5 Aug 88 p 3

[Text] Iraqi warplanes bombed the Iranian gas refinery in Khangsan for the second time Wednesday but no casualties were reported, a Labor Ministry source said yesterday.

The source said two Iraqi fighters attacked the gas refinery with four rockets around 8:30 a.m. (local time), destroying a boiler system and electric facilities.

But 28 workers of Daelim Industrial Col., the Korean contractor of the refinery construction project, escaped the air raid without harm, he said.

Daelim evacuated all but the 28 workers from the construction site last month after the initial Iraqi air raid on June 30 that left 13 Daelim workers killed and dozens of others injured.

The source said the 28 workers sought safety immediately after an air raid warning was issued, adding that they are now taking refuge at a location some 50 km away from the construction site.

He said the Korean Embassy in Iran was planning to take the workers to Tehran because they were still in danger of an aerial attack.

The Korean government ordered Daelim to bring home the workers as soon as possible, he said.

No Sends Envoy to South American Inaugurations
SK0508001588 Seoul THE KOREA TIMES in English
5 Aug 88 p 2

[Text] Former prime minister Kim Chong-yol will be dispatched to Ecuador and Paraguay next week to attend the inaugural ceremonies of the two Central [as published] American countries' presidents next week, the Foreign Ministry announced yesterday.

During his visits, the ex-premier will deliver autographed letters from President No Tae-u to Ecuadorian President Rodrigo Borja on Aug. 10 and Paraguayan President Alfredo Stroessner on Aug. 15. Kim will also discuss with government officials ways to promote practical cooperation between Korea and the two countries, the ministry said.

Assembly Hearing Confirms Gap on Unification
SK0508002188 Seoul THE KOREA TIMES in English
5 Aug 88 p 2

[Text] A National Assembly public hearing on South-North students talks yesterday only reaffirmed the fact that there still lies a wide gap in opinions between the government and students where issues involving national unification are concerned.

The government maintained it would not tolerate any talks between South-North students about unification problems, which the government insists is not an issue that can be settled through students' initiatives. But a student leader claimed that the students talks will be realized and eventually will end in success.

The Board of National Unification Minister Yi Hong-ku and five others, including a student leader, spoke at yesterday's hearing sponsored by the Assembly's special committee on unification policies. It was the first time in Korea's constitutional history that a student leader has been invited to speak at an Assembly panel.

The following are the gists of speeches delivered at yesterday's hearing.

Minister Yi, the government cannot tolerate South-North students talks with important items on the agenda which it is considered unlikely that students can settle. Any discussion on unification issues should be based on democratic order and system. But the government is ready to accommodate such reasonable suggestions as South-North exchanges of student groups and sports teams.

Chong Myong-su, president of Yonsei University Student Association and vice chairman of the National University Students Council—It is the consensus of the entire student body that the nation should achieve territorial reunification and reconciliatory unity among the whole people. Stemming from such consensus are the projected Aug. 15 South-North students talks and the cross-country march to be participated in by students from both parts of Korea. The two events will be carried out and eventually end in a great success.

Prof. Chong Yong-sok (Tanguk Univ.)—Although the bona fide intent of students regarding the inter-Korean students' meeting is understandable, the talks are certain to bring about negative results because (1) it is feared the conference may be abused by North Korea (2) the channel of dialogue with North may be disunited (3) it is untimely to hold the talks at this moment with the Seoul Olympics just around the corner and (4) the important issue of national unification should not be used as an instrument of struggle to topple the government.

Prof. Yi Yong-hui (Hanyang Univ.)—The motive and feeling of students who are pushing ahead with the South-North students' conference were caused by (1) the fictitiousness and deceptiveness of unification policies of the past regimes (2) the inconsistency in the government's unification policies (3) the government's suppression and abuse of unification debates (4) the existence of undemocratic statutes, including the National Security Law, and (5) the government's monopolization of information about North Korea. The government should promptly take firm and substantial steps to solve these matters before opposing the students talks.

Daily Urges Students Not To Monopolize Dialogue
SK0508112288 Seoul CHOSON ILBO in Korean
5 Aug 88 p 2

[Editorial: "The Reunification Issue Cannot Be Monopolized by the Students"]

[Text] After a very long time, those in the ruling system and those that oppose it (the student movement circle) got together and discussed the reunification issue at a public hearing organized by the Reunification Committee of the National Assembly. In a sense, this makes us feel that we are living in a very different age. It means that the scale of our politics has expanded that much.

The topic of the debate was, in a word, whether it is good or bad for the students to meet the North Korean students and to discuss even political and military affairs without the arrangement of the government. If we present our conclusion first, we believe it not to be good.

Those who believe it to be good contend that the successive South Korean regimes, including the current government, have pursued a false reunification policy and security for the regime and have sought to strengthen the dictatorship in an effort not to realize reunification and to perpetuate division and that, therefore, at present, the students must personally take the lead in seeking to facilitate exchanges and to discuss even the issue of resolving military affairs.

Very eccentric viewpoints are contained in this contention. They contend that the reasons for the perpetuation of division can only be found on our side; that suppression, oppression, and dictatorship have existed only on our side; that antagonistic ideology has been inspired only by our side; and that information has been blocked only on our side. This is an unreasonable contention. First of all, we must not overlook the fact that the very "theory of revolutionizing South Korea," which the North has consistently maintained since the 25 June war, is a primary factor that strengthens our side's responsive attitude of rejecting revolution, thus perpetuating division.

As for dictatorship and oppression, the South is an "amateur," but the North is a "professional." Also, as for the inspiration of animosity, the North's cramping propaganda education is unmatched. Say we distorted a true picture of life in the North; then how can the distorted picture of life in South Korea, which the North crammed into the children of Kim Man-chol, be explained?

If they say that the North and the South did the same thing, it is all right. However, they say that all those acts of rejecting reconciliation and harmony have existed only on our side. This is truly a biased view.

Therefore, we cannot but strongly oppose a situation in which today's student group—which is led by the hardcore movement circle that has publicly advocated the

"revolution for national liberation and the masses' democracy" while maintaining this very vicious and biased view—and the students of the North—who are manipulated by responsible operational agents in the North's Workers Party Liaison Department, who inspire the "revolution for national liberation and the people's democracy" in South Korea—will freely meet and discuss the withdrawal of U.S. forces from Korea and other political and military affairs.

To speak of formalities, how in the world can the student activist group exercise something similar to the power of representation this way or that in dealing with political and military affairs, which are matters that concern all of South Korea? If the students do not recognize the representative capacity of this government, who gave the capacity of representing South Korea to the student movement circle?

If political and military affairs and the reunification issue cannot be monopolized by the government and the ruling party, they cannot be monopolized by the student movement circle, either. It is correct that a common consensus is reached on the reunification issue through genuinely democratic procedures and that the government, armed with this consensus, meets with the North.

The government also quickly says that it will follow these democratic procedures. Therefore, it would be reasonable for the students to leave political and military affairs to the political circles and to seek nonpolitical exchanges within a framework that the public authorities of the North and the South will agree upon.

Parties Question Need for 'Peace Dam'

SK0508091588 Seoul YONHAP in English
0904 GMT 5 Aug 88

[Text] Seoul, Aug. 5 (YONHAP)—The so-called "Peace Dam," being constructed by South Korea near the Demilitarized Zone (DMZ) to protect the South from possible "water offensives" by North Korea, has sparked a new controversy between the ruling and opposition parties over the background surrounding the construction of the costly structure.

The main opposition Party for Peace and Democracy (PPD) urged the government to explain why it began the construction so hastily and to reveal details on the construction expenditures.

The ruling Democratic Justice Party (DJP) also called on the government to explain details regarding the dam.

The government completed the first phase of the Peace Dam in May near Yangku, 90 kilometers northeast of Seoul, at a cost of about 250 million U.S. dollars. The government is preparing for the second phase of construction.

Government officials have said the 80 meter-high dam will help protect the South from water offensives, deliberate or accidental, originating from a North Korean dam placed upstream on the Han River. The downstream of the river flows through the center of Seoul.

The officials said that Pyongyang began construction of the Kumgangsan Dam on the upper reaches of the Han River in October 1986 to store 20 billion tons of water. They added that if the dam is destroyed, the dam's waters will flood southward, devastating the Seoul metropolitan area and central regions of the South.

They also said the Peace Dam's first phase is mainly designed to head off Pyongyang's possible attempt to launch a water offensive, thus ensuring that the Seoul Olympics can be held safely.

However, the opposition parties—the PPD, the Reunification Democratic Party (RDP) and the New Democratic Republican Party (NDRP)—demanded that the construction be halted, asserting that the dam reportedly under construction by the North could not threaten the South with water offensives.

The ruling party appeared to agree with the opposition's move, as it urged the government to stop the construction.

DJP Secretary-General Pak Chun-pyong said his party does not think the Kumgangsan Dam can endanger the Seoul Olympics, adding that the DJP asked the government to make public the details of the construction.

PPD Floor Leader Kim Won-ki said the government should take responsibility and apologize for the misunderstanding it caused as well as "fraudulent acts" during the dam's construction.

He said his party will unveil the background of the dam's construction before a special National Assembly committee established to probe alleged irregularities during the government of former President Chon Tu-hwan.

NDRP Does Not Seek Coalition With DJP

SK0508000188 Seoul THE KOREA TIMES in English
5 Aug 88 p 2

[Text] New York (Special)—Kim Chong-pil said Thursday that his New Democratic Republican Party has no intention to seek a coalition with the ruling Democratic Justice Party.

Kim said his firm conviction in the superiority of the cabinet system had been mentioned several times since the presidential campaign period last year.

Therefore, Kim said, his recent remarks in the United States on the advocacy of the parliamentary government did not represent a new proposal.

Kim said he could not understand why ruling party chairman Yun Kil-chung had made similar remarks in Manila favoring the cabinet system, adding that constitutional reform for adoption of parliamentary rule should not be pushed through within a short span of time.

Yun Says Coalition 'Personal' Idea

SK0508004388 Seoul THE KOREA TIMES in English
5 Aug 88 p 2

[Text] Tokyo—Ruling party chairman Yun Kil-chung has termed his ideas on a coalition government as just "personal" apparently in a bid to calm down controversy in Seoul over his recent remarks in Manila.

In a press conference here Thursday, he said, "My idea of a coalition is a personal opinion designed to institutionalize the opposition's cooperation with the government, according to dispatches from Tokyo.

"A coalition government is not actually appropriate in the present presidential system. But it may be seriously considered in the future for better politics," he said.

Yun, however, added that the Assembly should be a "venue of harmony between the ruling and opposition camps, whether based on a coalition or not," stressing that it is undesirable for the three opposition parties to unite to counter the ruling party in every case.

He denied parts of his earlier remarks and said that he has not yet deliberated on potential coalition partners.

In Manila Wednesday, he cited Kim Yong-sam's Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party as partners, instantly upsetting the former. The latter's reaction was not immediately available as he is now on a U.S. trip.

He also stepped back from an opinion that midterm appraisal of President No Tae-u might be linked with a referendum for a constitutional revision to adopt a parliamentary government, which aroused bitter repercussion from Chongwadae.

He said, "It is not good to speak of an interim assessment at this moment because he took the office barely a couple of months ago."

Parties Threaten To Force Choe Kyu-ha Testimony

SK0508005388 Seoul THE KOREA TIMES in English
5 Aug 88 p 1.

[Text] Kim Tae-chung's Party for Peace and Democracy yesterday threatened that the opposition controlled Assembly panel on the Kwangju uprising will force ex-president Choe Kyu-ha to testify before the panel, through vote, if the ruling camp does not compromise on the persistent opposition call asking for Choe's voluntary testimony.

Key post-holders of the PPD vowed that the party will not trifle with the "arrogant stance" of the ruling party and will ride on public opinion to bring to light all corrupt instances of the past government and the 1980 Kwangju civilian uprising.

Kim said the opposition will "mobilize all legal means available" to rectify the distorted history."

PPD spokesman Yi Sang-su said the opposition-dominated special Assembly panel will issue a subpoena to ex-president Choe to testify before the committee if the opposition and the government parties fail to compromise on the matter.

Yi argued that the ruling camp is attempting to block Choe's testimony because it is not sure of "what Choe will say" before the Assembly panel.

The government party has long insisted that Choe should not be called before the testimony panel as it is not "proper treatment" for a former head of state.

The PPD said that ex-president Choe is urged to clarify his position on why the government declared martial law across the country in 1980, why he was forced to resign from the presidency, and whether Chon Tu-hwan or Kim Tae-chung "masterminded" the Kwangju incident.

The largest opposition party said that it is ready to accept the ruling Democratic Justice Party's demand to exclude its lawmakers, Chong Ung and Chong Sang-yong, from the Assembly committee to ensure its smooth operation.

The DJP insisted on delisting the two lawmakers from the Kwangju incident panel for the reason that they are directly involved in the tragic event. The government party claimed their participation will not ensure "neutrality" in the operation of the panel.

Representatives of the rival parties will meet on Aug. 8 to compromise on their differences on the operation of the Kwangju incident panel, but talk will remain at an impasse as long as the rival parties fail to reach a compromise.

As a gesture of signaling its resolute stance, the opposition voted Friday night to request that government prohibit overseas trips by ex-president Chon Tu-hwan, his wife Yi Sun-cha, and 14 other relatives, which include in-laws and other family members.

The opposition said the Justice Ministry must order a ban on the 16 figures from leaving the country until a full probe is completed. It is feared that they will flee the country in secret and destroy all evidence, it said.

The opposition said it will soon request the Justice Ministry to retrieve the passports of the 16 figures to prevent their slipping out of the country. The Justice Ministry said it will review the Assembly request and decide the matter upon receiving the formal written letter from the Assembly.

Such a hardening attitude of the opposition became apparent in the wake of Democratic Justice Party chairman Yun Kil-chung's remark in Manila, who hinted about a constitutional amendment to usher in a cabinet type government.

The opposition, especially Kim Tae-chung's party, concluded that Yun's remark is a "pre-mediated political scheme" to divert public attention from the Assembly probe into the corrupt acts of the past administration and the Kwangju incident.

Most of opposition analysts concluded that the Manila remark is an attempt to "shake the opposition unity and cooperative mood" although Yun downplayed his remark as "personal opinion."

Whether the Manila remark was well-orchestrated political scenario or not, it served to bolstering [as published] the position of the hard-liners in the opposition, political observers said.

More on Request To Ban Travel of Chon's Family

Justice Ministry Views Request

SK0508052488 Seoul YONHAP in English
0513 GMT 5 Aug 88

[Text] Seoul, Aug. 5 (YONHAP)—The Justice Ministry has said that once the National Assembly submits a formal written request that former President Chon Tu-hwan, his wife and 14 of their relatives be subject to an exit ban, it will review the matter.

The ministry, however, cannot make a decision for or against the Assembly request at this time because it has yet to examine the reason why a special Assembly panel asked for the exit ban, a ministry spokesman said.

The opposition-controlled special Assembly panel probing alleged irregularities by the government of former President Chon passed a motion Wednesday on the exit ban. Ruling party members of the panel boycotted the vote.

Under the motion, the ad hoc committee will formally request the government to take possession of passports belonging to Chon, his wife and their relatives to prevent them from leaving the country until Dec. 31.

The motion, however, has no binding force on the government.

DJP Protests Panel's 'Abuse'

SK0508004188 Seoul THE KOREA TIMES in English
5 Aug 88 p 2

[Text] Special Assembly panels investigating the Chon Tu-hwan administration's irregularities and the 1980 Kwangju turmoil are likely to be impeded for the time being as the ruling party demanded yesterday that their chairmen apologize for his "abuse of power."

In a statement issued at an expanded meeting of the officials, the opposition, should apologize and then resign.

It accused Yi Ki-taek, chairman of the irregularities panel, of defying normal procedures and practice by abruptly motioning a resolution calling for the ban on overseas trips by 16 people whom the opposition listed as subjects of the House probe.

The statement, issued in the name of deputy spokesman Yi Kung-kyu, claimed that DJP members were not "formally" notified of the resumption of a session in which opposition panel members passed by vote the resolution.

"The opposition chairman exploited the opposition majority of the committee and drove it into a deadlock," it argued.

The 16, which the panel will ask the authorities concerned to put on a black list, include Chon, his wife Yi Sun-cha, and their relatives.

Sixteen members of the 31-lawmaker panel, all from the opposition, voted for the resolution, while 15 DJP members were absent from the conference hall.

Chairman Yi Ki-taek, of the Reunification Democratic Party, said that an Assembly official was sent to the DJP members three times to ask them to participate in the vote and waited about one hour for them.

They did not come, arguing it was absurd for Kim Pong-cho of the RDP to introduce the resolution in a "blitz action" without prior consultation with the DJP, Yi maintained.

The Justice Ministry should review the validity of the resolution when it is formally filed.

Former president Chon and his wife were reported to have diplomat's passports without any expiration date on them. The government party took issue with Kwangju panel leader Mun Tong-hwan's presentation of summonses of American witnesses without any agreement between rival parties.

The pastor-turned first-term lawmaker also vowed to offer travel expenses to them in letters, conveyed by Assemblymen of his Party for Peace and Democracy to the Department of State while on a U.S. trip last week.

The DJP statement urged him to resign as chairman of the Kwangju committee in responsibility for his "reckless" acts.

PPD, RDP Leaders Satisfied With Ban

SK0508003188 Seoul THE KOREA TIMES in English
5 Aug 88 p 2

["Press Pocket" column: "Great Satisfaction"]

[Text] Kim Tae-chung and Kim Yong-sam were greatly satisfied with the House passage Friday [as published] of a resolution for the exit ban on ex-president Chon T-hwan, his wife Yi Sun-cha and other 14 member of the Chon family.

Kim Yong-sam said the opposition move was in lien with public opinion adding that the opposition will "lead" the operation of the Assembly special committees unless the government party is cooperative.

Kim Tae-chung said he sees no possibility that the ruling camp will seek to rewrite the Constitution for adoption of the cabinet system even "by shortening the five-year presidential term."

He made the remark after he was asked whether he and his party would accept the parliamentary form of government "if President No Tae-u cut short his five-year Presidency."

Yun Kil-ehung chairman of the ruling party, said Tuesday that the ruling party may change the government form. But he added that the possible constitutional rewriting should guarantee the completion of No's five-year term.

Government Poised To Accelerate Won Appreciation

SK0508072788 Seoul YONHAP in English
0717 GMT 5 Aug 88

[Text] Seoul, Aug. 5 (YONHAP)—The U.S. dollar is expected to depreciate against the Korean won currency at a more rapid pace than previously, dropping to the 690 won-level in October, an economic daily reported Friday quoting an unidentified government official.

The government is ready to accelerate the won's appreciation as exports in July grew 23 percent from a year earlier and the current account surplus for this year is projected to reach 11 billion dollars, the Korea ECONOMIC DAILY quoted the official at the Economic Planning Board as saying. The surplus figure is far higher than the government's projection of nine billion dollars.

The daily's front page report suggests a change in the government's policy on the won's appreciation. The government has recently slowed down the won's appreciation against the dollar, yielding to pressure from exporters, who argue that they are suffering from losses in earnings because of the sharp change in the won's value.

The government originally planned to appreciate the won's value to the 690 won-level at the end of this year.

The government fears that the higher-than-expected surplus could worsen the existing trade friction with Korea's major trading partners and sharply expand liquidity volume, triggering inflation.

The government, which has decided to accelerate the won's appreciation to solve those problems, plans to maintain the 690 won-level after October until the end of this year.

The one dollar: 690 won exchange rate means that the won would have appreciated 14.8 percent against the dollar for the entire year. As of Friday, the won has appreciated 9.54 percent against the dollar since the end of last year.

Assuming that the dollar drops to the 690 won-level in October, the greenback should decline 10-15 won each month from now on. The dollar dropped 10.7 won in January, 20.8 won in February, 14.60 won in March, 6.2 won in April, 7.1 won in May, 4.6 won in June and 4.5 won in July.

Commenting on the report, economic planning board spokesman Chang Sung-u said, "It seems necessary to accelerate the won's appreciation because of the snowballing current account surplus and mounting exports. But nothing has been decided yet on the exchange rate."

Korea's exports, particularly those to communist countries, are increasing sharply. Exports to those countries surged 50 percent to 480 million dollars in the first half of this year from a year earlier. South Korea has no diplomatic relations with any communist country.

Meanwhile, the government has serious difficulty in managing monetary expansion caused mainly by the mounting exports.

Ulsan Hyundai Workers Plan Strike

SK0408003988 Seoul THE KOREA TIMES in English
4 Aug 88 p 3

[Text] Unionized workers of Hyundai Heavy Industries in Ulsan reported to the Kyongsangnam-do Provincial Administration its plan to go on strike if their demand for wage hikes and improvement of working conditions are not met in the next 10 days.

The decision to go on strike was approved in a vote of 75 in favor and 72 against, which was held on Aug. 1.

Since June 9 management and the labor side held a 35 meetings to resolve labor disputes.

The management side complained that the demands of the laborers are too much, citing that the items of their demands has risen to as many as 142.

If the workers' demands are that many in number, the management side cannot but doubt the real intention of the picketing workers, asking them to show more reason and cooperation in riding out the difficulties the company is now suffering.

Burma

Rangoon Reportedly Calm; 31 Arrests Noted

BK0508091688 Hong Kong AFP in English 0901 GMT
5 Aug 88

[Text] Rangoon, Aug 5 (AFP)—The authorities have arrested 31 people in connection with student demonstrations in the capital Wednesday and Thursday which triggered similar incidents in Pegu, official reports said Friday.

Twenty of those detained in Rangoon, under martial law since Wednesday, were students and four people who posed as students. The remaining seven were people caught taking part in the "disturbances," reports in Rangoon's six state-run newspapers said.

They said the demonstrations triggered off similar incidents in Pegu, some 80 kilometers (50 miles) north of Rangoon.

Martial law was declared in Rangoon Wednesday after what officials described as "rowdy mob demonstrations."

Rangoon remained tense but calm Friday morning with no reports of incidents. Police and military units were deployed at strategic points in the capital, witnesses said.

In the first official report of Thursday's incidents, the authorities said some 50 students started marching at around mid-day northwards from the city centre on Sule Pagoda Road. They turned east when they saw security units and then dispersed, the reports said.

An hour later, another group of 50 students started marching along Bogyoke Street westward towards Scott Market, then turned south into Shwedagon Pagoda Road toward the Strand where they headed east. They dispersed after coming upon a security unit, the reports added.

At 2 p.m. (0630 GMT) a break-away group in west Rangoon scattered after being followed by a security unit, the reports said. Another group of 50 students gathered at a pagoda in west Rangoon were similarly dispersed, they added.

The official reports described two to three incidents in which students forcibly commandeered cars to get into the city to join the demonstrators.

It put the number of people actively joining the students at 100.

Witnesses have said there were many more.

There were hundreds of onlookers who scattered at the sight of uniformed troops or military and police cars, witnesses said.

The official account also reported incidents when student demonstrators tried to get other students to come out school to join them.

Some people posing as students also "carried out destructive activities," the official reports said.

There was similar student unrest in Pegu where some 300 students joined with about 500 residents and staged demonstrations and made speeches in the town centre while two other groups of 150 and 200 threw stones at some food-shops and made speeches before dispersing.

The official reports did not say whether there were any confrontations between the demonstrators and security forces, but one or two warning shots were reported to have been fired Thursday.

The authorities would take legal actions against those arrested, the official reports said.

(Diplomats in Bangkok said the current unrest was the most serious since the mid-1970's, when Rangoon was placed under martial law in 1974-76 after students and the government fought over the burial site of former United Nations Secretary General U Thant, a Burmese who became a symbol of opposition to Genral Ne Win.)

Government Reinforces Troops

OW0508115588 Tokyo KYODO in English 1137 GMT
5 Aug 88

[Text] Bangkok, Aug. 5 KYODO—The Burmese Government sent armored cars, trucks and troops to major places in Rangoon on Friday to prevent further antigovernment demonstrations in defiance of martial law imposed Wednesday, according to Western diplomats there.

The diplomats, reached by telephone, said the Burmese Government strengthened troop detachments in Rangoon on Friday as thousands of people marched through the capital in protest against the government of new leader Sein Lwin the previous day.

The state-run news agency NAB said 25 demonstrators were taken into custody Thursday for antigovernment actions in several places in the capital.

It said about 800 people, including students, held a rally and demonstrated in pegu about 80 kilometers northeast of Rangoon on Thursday and hurled stones at shops.

The Western diplomats said the government strengthened troops in Rangoon apparently to prepare for an antigovernment general strike called by students for next Monday.

More Details of 4 August Rangoon Protests
*BK0508013388 Hong Kong AFP in English 1739 GMT
4 Aug 88*

[Text] Rangoon, Aug 4 (AFP)—Students staged peaceful protests in Rangoon Thursday, a day after the authorities imposed martial law in the capital following what officials described as rowdy mob demonstrations.

The authorities have not banned public gatherings in the city or imposed a curfew following Wednesday's unrest and the police did not move in to disperse Thursday's demonstration which began about mid-day, observers here said.

Hundreds of bystanders and soldiers deployed at City Hall watched as some 200 students staged a peaceful march northwards along Sule Pagoda Road in central Rangoon, witnesses said.

The students chanted anti-government slogans and carried two portraits of the late General Aung San, architect of Burma's independence in 1948, they said. Some wore handkerchiefs around their faces to hide their identities.

The march ended peacefully, the witnesses said.

A dusk-to-dawn curfew and ban on public gatherings imposed in Rangoon in June after rioting were lifted on July 9. Observers here said they had not been re-imposed despite the declaration of martial law in the capital Wednesday.

But vehicles equipped with loudspeakers roamed the streets reminding the public that public disturbances would be effectively dealt with by the military and that everyone should go about their business as usual, witnesses said.

Twelve truck-loads of security police were deployed at the gilded Shwedagon Pagoda on the outskirts of Rangoon early Thursday where students had, since July 28, been staging anti-government demonstrations, witnesses said.

Martial law was imposed here late Wednesday after students and thousands of residents staged demonstrations in different parts of the city and several other townships under its jurisdiction.

The authorities said Wednesday's actions were "rowdy mob demonstrations to create disturbances," according to an official report released by the NEWS AGENCY OF BURMA (NAB) Thursday.

NAB said an unspecified number of students and other "disturbance-makers" had gathered Wednesday in front of Gen Aung San's bronze statue beside the Royal Lake east of the Shwedagon Pagoda.

The students then commandeered passing cars to go to the city centre where they staged "rowdy demonstrations," shouting anti-government slogans in front of City Hall before marching through the city, the news agency said.

Another group of students gathered at Insein and Hlaing Townships some 16 kilometres north of Rangoon where they stopped buses, forced passengers out and used the buses to get to downtown Rangoon, it said.

Still another "mob" gathered at a junction of Insein Road towards the evening, blocking traffic and demonstrating, it said.

The official report said demonstrators in Rangoon beat up a bystander found with a camera and manhandled another who tried to intervene, while one person was stabbed and seriously wounded.

The commander of the Rangoon Military Command, Brigadier General Myo Nyunt has been appointed chief martial law administrator for the 27 townships of Rangoon until martial law is revoked.

Schools are to remain open in all the 27 townships currently under military rule, NAB said Thursday.

An immediate reaction to the imposition of martial law is that the price of rice, Burma's staple food, shot up by almost 50 percent in the open market, shoppers said Thursday.

Thai Press Rounds Up Rangoon Protests
*BK0508093088 Bangkok BANGKOK POST
in English 5 Aug 88 pp 1, 3*

[Text] Rangoon—Some 10,000 demonstrators defied a martial law decree yesterday and demonstrated in the heart of the Burmese capital, facing off against soldiers who fired warning shots into the air, Western diplomats said.

The Rangoon-based diplomats said "simultaneous, separate and large-scale demonstrations" broke out in the Burmese capital at about noon Rangoon time after a morning of calm.

The sources said the total number of demonstrators in the city was not known but about 10,000 people—mostly young students—gathered around the Sule Pagoda where troops moved into position and fired warning volleys into the air.

Sule Pagoda, said to date back more than 2,000 years, formed the centre of the city when British colonials in the 19th century laid down a grid-street system for the capital. The temple's central spire rises 48 metres, making it the tallest structure in the downtown area.

Other Rangoon residents contacted said one group of protesters dispersed after several trucks loaded with troops arrived at a building housing a number of government ministry offices not far from the Sule Pagoda.

Crowds gathered around the red brick colonial building and shouted demands for the restoration of democracy, the ouster of new President Sein Lwin and the release of prisoners he has already arrested.

"Down with the government," students shouted. "The students started running when the troops moved in," one witness said.

No shots were fired, he said, but troops chased the students until they escaped into small side alleys.

Heavy monsoon rains reportedly thinned some of the crowds by mid-afternoon.

Some 50 trucks packed with soldiers moved into the capital and troops took up positions outside the City Hall, the Hluttaw (National Assembly) building and the Rangoon Institute of Technology campus.

The protesters were confronted by lines of soldiers at one point but both sides appeared to be acting with restraint.

Martial law was indefinitely clamped on the city on Wednesday after thousands of young students marched through the downtown area, shouting slogans denouncing Sein Lwin, a former military officer and reputed hardliner.

The official Radio Rangoon, monitored in Bangkok by AP, said martial law was necessary to ensure the security of the state, safeguard property and allow students who so desire to study peacefully. It said directives might be issued for summary trials.

Troops under martial law administrator Brig Gen Myo Nyunt, commander of the Rangoon Division Military Command, patrolled the streets in armored cars. Others were stationed at public places.

Brig Gen Myo Nyunt has been appointed chief martial law administrator for the 27 townships of Rangoon until martial law is revoked.

The shift of responsibility to the military from the lon htein (security control) riot police could also take some heat from the fierce conflict between authorities and protesters, for whom the police force is a symbol of brutal state power.

The lon htein, who use ruthless methods, are widely feared and hated.

Diplomats said no curfew was in effect, although few of the city's 3.5 million residents were seen on the streets on Wednesday night after the decree went into effect.

The decree was broadcast over loudspeakers in some quarters of the city but there was reportedly an insufficient number of loudspeakers to blanket the capital.

The decree, signed by Sein Lwin, said from July 28 until Tuesday, students had demonstrated, delivered speeches and spread pamphlets at Burma's most sacred shrine, the Shwedagon Pagoda.

"Today, on 3 August, 1988, about 200 students, joining forces with some people intent on causing riotous disturbances, made protest marches en masse and started disturbances, and a situation arose which regional organs of power can no longer control," the proclamation said.

Western diplomats said on Wednesday they saw about 3,000 young students marching through the heart of the city, their faces covered with handkerchiefs, stockings and other masks to prevent identification by authorities.

Some saffron-robed Buddhist monks were among the students, who later were joined by large numbers of workers as the mass of demonstrators moved towards the western part of the capital.

The diplomats reported no violence or confrontation with police—who were not in evidence—in contrast to downtown riots last March and June when by conservative reliable estimates more than 100 persons were killed.

"They were very well organised, very peaceful," one diplomat said. "They would form rings around cars so there would be no damage."

The majority of the protestors both on Wednesday and yesterday appeared to be in their midteens and apparently were high school students.

According to the NEWS AGENCY OF BURMA, "disturbance-makers" on Wednesday gathered in front of the late Gen Aung San's bronze statue beside the Royal Lakes east of the Shwedagon Pagoda.

Another group of students gathered at Insein and Hlaing townships some 16 kilometres north of Rangoon where they stopped buses, forced passengers out and used the buses to get to downtown Rangoon, it said.

Burmese who have seen promised of economic improvement fade into inaction after previous crises, including an aborted coup attempt in 1976, said they preferred to believe in changes when they see them take effect.

An immediate reaction to the imposition of martial law is that the price of rice shot up by almost 50 percent in the open market, shoppers said.

Minister Meets With Entrepreneurs, Traders
BK0408144488 Rangoon Domestic Service in Burmese
1330 GMT 4 Aug 88

[Text] U Khin Maung Gyi, minister of trade, met entrepreneurs and traders of Rangoon Division and explained economic matters that the private sector can undertake at a meeting held at the Rangoon Division People's Council conference hall at 1600 today.

The minister explained in detail the objective of the emergency session of the Fourth People's Assembly in passing the law that abolished the Private Enterprises Law and the aim of the report presented by the State Council at that session regarding the production business, local and foreign trade, local services, and border trade that the private sector can undertake.

The trade minister said private businessmen, while aiming to keep their interests and national interests balanced in a fair and equitable manner, must make use of their capabilities and work with diligence, determination and a nationalist spirit toward boosting production and developing the national economy in accordance with the reformed economic policies and guidelines.

The minister also replied to the questions raised by the traders.

The meeting was attended by the chairman of the Rangoon Division Regional Party Committee; deputy ministers of planning and finance, and trade; the chairman of the Rangoon Division People's Council and council members; representatives of township people's councils in Rangoon Division; the director general of the Trade Department; responsible officials; and businessmen and traders in Rangoon Division.

Brunei, Malaysia & Singapore

Singapore

Prime Minister's Deputy on Change of Leadership
OW0508040188 Tokyo KYODO in English 0249 GMT
5 Aug 88

[Text] Singapore Aug 5, KYODO—Singapore's young leaders are ready to take over from Prime Minister Lee Kuan Yew, who has ruled over this island republic since 1959, his top deputy, Goh Chok Tong, said Friday.

Lee has said he will step down from the premiership at age 65. He will turn 65 on September 16 this year.

First Deputy Prime Minister Goh quickly added, however, "Mr. Lee is still physically and mentally fit and alert."

While Goh, 47, is most likely to succeed Lee as prime minister, Lee is expected to seek the country's first elected presidency pending constitutional amendments.

In an interview with KYODO News Service, Goh said the presidential election may be held even before general elections, which are held every four years in Singapore.

The previous parliamentary contest was held in December 1984.

"Naturally, you will find it difficult to get the time of the general election in any country," Goh said in the interview but added, "The speculation is, it will be some time this year."

How and when Lee will hand over his political leadership to younger leaders has aroused a considerable amount of interest in this industrially fast-growing country.

Lee is the only prime minister Singaporeans have known since national independence in 1959.

In the interview, Goh said, "We have a team that is more or less ready (to take over Lee's leadership) but that doesn't mean that there must be a precise moment for handing over."

"Once we have a second team of (younger leaders), it is unimportant as to when the team takes over," Goh added.

Regarding Singapore's new presidential system, Goh said in a speech before Parliament last week that the new president will not be an executive president like his counterpart in France.

"(Singapore's president) will only have a custodial role in two areas—safeguarding of our financial reserves and of the integrity of our public service," Goh added in the statement.

Incumbent President Wee Kim Wee was elected by Parliament with the prime minister's recommendation. His four-year term is due to end in October 1989.

The government has presented a white paper to Parliament on constitutional amendments for a direct presidential election system.

The white paper will be debated in Parliament next week, according to the deputy prime minister.

On regional affairs, Goh, who is concurrently defense minister, said the issue of U.S. Military bases in the Philippines is a bilateral matter, but added that Japan is in a "very good" position to provide non-military assistance to reduce the economic burden of both the United States and the Philippines.

He said, however, "This should be kept separate from the bases issue."

Goh referred to a multilateral assistance program to help the Philippine government of President Corazon Aquino as one area where Japan can contribute significantly.

While acknowledging that discussions between industrially advanced and newly industrializing economies (NIEs) are useful, Goh said such dialogue "must also be constructive and not merely an exercise to exert pressure on the (latter)."

In a recent trip to Japan, South Korea, and Taiwan, Prime Minister Lee and leaders of the three countries agreed on the importance of having talks between the two groups of countries regarding the NIEs' growing exports to industrially developed countries, including the United States.

Singapore, South Korea, Taiwan, and Hong Kong are dubbed "the four dragons" of rising industrial powers.

Touching on Japan-Singapore relations, Goh said he will visit Tokyo in April next year.

Although bilateral economic ties are strong, he urged Japan to further increase its imports from Singapore.

Goh also noted a sharp increase in the number of Japanese tourists visiting Singapore, which rose 34 percent in 1987 to 540,000.

Cambodia

SPK Reports Nguyen Van Linh, Gorbachev Talks
BK0508033988 Phnom Penh SPK in English
1115 GMT 22 Jul 88

[Text] Phnom Penh SPK, July 22—Vietnam and the Soviet Union will strive for an equitable political solution to the Cambodian conflict. This view was expressed by Nguyen Van Linh, secretary general of the CPV Central Committee, and Mikhail Gorbachev, secretary general of the CPSU Central Committee, at the meeting in Kremlin on 20 July.

The Vietnamese and Soviet leaders showed special interest in the positive development of the situation in Cambodia resulting in the PRK Government's active implementation of its national reconciliation policy.

Nguyen Van Linh stressed that this year the Socialist Republic of Vietnam is withdrawing half of its remaining volunteers troops and their command from Cambodia, that the remaining will be withdrawn by the end of 1989 or early 1990 at the latest, and that the schedule for the troop pullout will be updated if an early solution is achieved.

Mikhail Gorbachev welcomed Vietnam's goodwill and expressed his hope that it would be favorably responded to by all those who sincerely want to end the conflict.

The two sides pledged they would strive to create favorable international conditions for the settlement of the Cambodian issue. They held that the People's Republic of China could considerably contribute to the resolution of this question.

Nguyen Van Linh said Vietnam is prepared to engage in negotiation with China to settle all differences on the basis of equality and mutual respect.

The two leaders stressed the important significance of the projected "informal meeting" in Jakarta and expressed their hope that this meeting would strongly accelerate the search for a solution to the Cambodian issue, thus contributing to promoting the actual understanding between the Indochinese and ASEAN countries and improving the political atmosphere in Southeast Asia.

SRV Training Commission Arrives for Visit
BK0408123388 Phnom Penh SPK in English
1122 GMT 4 Aug 88

[Text] Phnom Penh SPK, Aug 4—A delegation of the Commission for Propaganda and Training of the Communist Party of Vietnam led by Tran Trong Tan, member of the CPV Central Committee and head of the said commission, arrived here this morning on a friendship visit to Kampuchea.

It was welcomed at the airport by Khoy Khunhuor, member of the People's Revolutionary Party of Kampuchea Central Committee and president of its Commission for Propaganda and Education, and other officials.

SRV Position South of Battambang Destroyed
BK0508035588 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT
4 Aug 88

[Text] On 29 July, our National Army attacked and completely destroyed a Vietnamese company position at Boeng Kak that was part of a network defending the southern area of Battambang. We killed five Vietnamese enemies on the spot and wounded a number of others. We also destroyed 15 assorted firearms and some war materiel. The remaining Vietnamese soldiers quickly abandoned the position.

Article Assesses Dangers of Supporting SRV
BK0508052988 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT
4 Aug 88

[Station article: "Are the Hanoi Vietnamese Committing Aggression Against Cambodia and is the DK a Danger to Southeast Asia and the Asia-Pacific?"]

[Text] Many world strategists in the West and several diplomats have noticed that some people share the opinion of Vietnam and the Soviet Union that the

Khmer Rouge must be eliminated simultaneously with the withdrawal of the Vietnamese troops. The view of the strategists and diplomats is that if the so-called problem is raised, it will only become a matter of protecting the aggressors while subjecting their victims to attack. Is this the way to solve the Cambodian problem? Absolutely not. Is the fact that the Vietnamese aggressors are being protected and are conniving to destroy part of the national forces struggling against them not a danger to Cambodia and its people, to Southeast Asia, the South China Sea waterway, as well as the Malacca Strait? And does it not set a bad example in world history and destroy the principles of international law and the UN Charter?

Briefs

32 Persons Return

In July, 32 misled persons from opposing factions presented themselves to the revolutionary authorities of Kompong Cham Province, located approximately 100 kilometers northeast of Phnom Penh. The returnees, most of them Pol Pot soldiers, brought with them 21 firearms and a quantity of war materiel. [Text] [BK0508074388 Phnom Penh SPK in English 0426 GMT 5 Aug 88 BK]

Laos

Afro-Asian People's Conference Opens

Sali Vongkhamsao Gives Speech

BK0408162188 Vientiane Domestic Service in Lao
0500 GMT 3 Aug 88

[Report on a speech by Sali Vongkhamsao, vice chairman of the LPDR Council of Ministers, at the opening of the "enlarged conference" of the Committee of the Presidium of the Organization for Solidarity With Afro-Asian Peoples, AAPSO, at the Lan Xang Hotel, in Vientiane, Laos on 3 August—portions recorded]

[Text] The conference of the AAPSO began when Sali Vongkhamsao, vice chairman of the Council of Ministers, took the rostrum to deliver a speech.

After congratulating and hailing the delegations from the fraternal and friendly countries on behalf of the party, government, and people of Laos for attending the conference, Sali Vongkhamsao pointed out the significance of the conference as follows:

This conference is aimed not only at discussing the positions of the AAPSO toward the various problems in the Asia-Pacific region but also at making preparations to contribute to the debates on the overall issues which will be decided at the forthcoming seventh AAPSO summit. Sali Vongkhamsao went on to say:

[Begin recording] The enlarged conference of the Committee of the AAPSO Presidium on Asia and the Pacific is convened at a time when the world and regional situations are changing in numerous important aspects. At present, numerous forms of uncompromising struggle and conflict are taking place in this region as well as in other regions throughout the world, thus posing an overall threat to the existence of mankind. However, the people of the world appear to be more unified and interdependent. They have forged themselves into a great force to achieve peaceful coexistence and mutual cooperation. A trend toward holding negotiations to ease tensions and to settle various conflicts through political means is favorably developing with every passing day. Mankind nowadays fully realizes that all the people of the world are sharing a common supreme interest, that is to carry out a struggle to reduce armed forces, to do away with and to halt the danger of a nuclear war, to safeguard peace and international security, to preserve human civilization, to establish equitable and mutual relations in the economic field, and to establish a new international economic order that is just and correct. Of course, the struggle to achieve the above-mentioned goals still remains difficult and confusing due to sinister designs employed by the warmongering imperialists and reactionaries. However, the struggle to score victories for peaceful coexistence and for a bright future and prosperity is an obligation of mankind which cannot be stopped by any force. [end recording]

Sali Vongkhamsao also said: Our country is located in the heartland of Asia and the Pacific region. Over the past 40 years, our people have united with the fraternal Vietnamese and Cambodian peoples to tirelessly carry out a struggle and have made great sacrifices to regain independence and freedom for their respective countries. Over the past 12 years since the complete liberation of our country, our people have endeavored to do away with all adverse effects of the war and natural calamities and to develop production. As a result, the moral and material life of our people has gradually improved.

In the past recent years, we have carried out restructuring in various fields, aimed at switching the natural economy to a commodity production base so as to create necessary fundamental conditions for gradually making our country prosperous. To achieve this goal, our Lao people hope greatly to live in peace and to forge cooperation with all countries, first of all with the neighboring countries and other countries in this region, on the basis of friendship, equality, and mutual benefits. The aforementioned stand and good intentions of our party, state, and people have been clearly spelled out in our foreign policy.

We hold that at present international cooperation is needed for the existence and development of all nations. Therefore, it is necessary that the interests of each country and of the region as a whole, in addition to that of mankind in general, must be harmoniously combined.

We hold that international relations and cooperation is one of the subjective foundations encouraging all countries with different social and political systems to coexist with one another in peace.

In addition, the improvement of the political atmosphere in the world, the reduction of forces, and the elimination of nuclear weapons will pave the way for the international economic relations to vigorously develop step by step. Adhering to such a viewpoint and with its strong aspirations, at the informal meeting held in Bogor in Indonesia on the Cambodian problem and the other problems in Southeast Asia, the Lao delegation advanced a seven-point proposal on the setting up a zone of peace, friendship, and cooperation in Southeast Asia. Our proposal drew support from all the delegations but that of the genocidal Pol Pot clique. And adhering to our aspirations to broaden our economic relations with the international community, on 25 July our government promulgated a law on foreign investment in the LPDR.

Pursuing such a foreign policy, the LPDR fully supports and endorses the Soviet Union's stand on the issue of peace and security in the Asia-Pacific region, emphatically expressed in a speech delivered in Vladivostok by the Comrade General Secretary of the CPSU Central Committee Mikhail Gorbachev.

We highly value the contributions made by the Republic of India to peace and security in Asia and the Pacific. We completely support the proposal of the MPR on the signing of a treaty on the nonuse of force against one another in the relations among the countries in the Asia-Pacific region.

We support the initiatives of the DPRK on peaceful reunification of Korea and to turn the Korean peninsula into a zone of peace and free of nuclear weapons.

We wholeheartedly welcome and completely support the seven-point proposal advanced by the PRK and voiced by PRK Council of Ministers Chairman Hun Sen at the Bogor informal meeting on 25 July 1988.

We completely support the SRV stand on the Cambodian problem and regional problems, especially the SRV's good intentions to withdraw 50,000 Vietnamese volunteer troops from Cambodia by the end of this year, and to withdraw the rest of them by the end of 1989 or within the first 4 months of 1990 at the latest. We are satisfied with the positive outcome of the recent Bogor informal meeting.

We aspire to strengthen good neighborly relations with countries sharing common borders with our country on the basis of the principles of peaceful coexistence. As for our relations with the Kingdom of Thailand, we hope to see that the spirit of the two 1979 Lao-Thai joint communiques are finely displayed in relations between the two countries. We are of the view that the two sides should together rapidly settle the conflict along the

border in Boten District and Chat Trakan District, and end all acts that have had an adverse effect on each other's security. Each side should take the initiative in creating mutual trust and understanding between themselves and creating a neighborly relationship between the peoples of the two countries.

Council of Ministers Vice Chairman Sali Vongkhamso said at the end:

[Begin recording] The AAPSO has consistently rendered active and strong support to our Lao people, both during the national liberation struggle in the past and the national construction at present. On behalf of the party, government, and multiethnic people of Laos, on this occasion, I would like to express our sincere and profound thanks to AAPSO. [applause]

The Lao people hope that AAPSO, which is an international organization commanding a high degree of respect from all peace- and justice-loving people, will score even greater victories in carrying out activities to promote peace, friendship, cooperation, and development in this region and will make noble contributions to the struggle for the peace, security, and happiness of all nations in the world. [end recording]

After Sali Vongkhamso ended his speech, Dr (Moral Ghaleb), AAPSO acting president, gave a speech officially opening the conference. He said: I am very pleased with the seven-point proposal, recently advanced by the Lao Government, to turn Southeast Asia into a zone of peace, friendship, and cooperation, and free of nuclear weapons. I believe this proposal will become a fundamental issue for discussion and debate at this conference. The cooperation between the Soviet Union and the United States, especially in the disarmament sphere, displayed at the recent summit between the two superpowers led to the signing and implementation of a treaty on the elimination of nuclear missiles and other types of mass-killing weapons to create a lasting process for reducing nuclear weapons so as to liberate mankind from the threat of nuclear war and to open a new era for the reduction of tension. The development of the above-mentioned Soviet-U.S. relations has created favorable conditions for the trend toward negotiation and cooperation to settle problems in international relations and regional conflicts. If such a complex issue as the reduction of nuclear weapons can be settled through negotiation, why can't other conflicts be resolved in a similar manner?

Dr (Moral Ghaleb) went on to say: I believe the informal, or cocktail party meeting—held in Jakarta and initiated and arranged by Indonesia—in which all four Cambodian factions from the two sides met on the first day and representatives of the Indochinese and ASEAN countries as well as the four Cambodian factions met later, constituted a successful step toward peaceful settlement of the Cambodian problem on the basis of elimination of an opportunity for the Pol Pot clique to return to power. I reiterate AAPSO support for the ZOPFAN [zone of peace, freedom, and neutrality] proposal advanced by

the ASEAN countries as well as the Indochinese countries' peace initiatives, especially the LPDR's seven-point proposal to turn Southeast Asia into a zone of peace, friendship, and cooperation, free of nuclear weapons. On a regional level, AAPSO has made all efforts to support the constructive initiatives and proposals made by the USSR, India, the MPR, the DPRK, the South Pacific countries, and other countries for peace, security, and cooperation in Asia and the Pacific, and to build this region into a nuclear-free zone. On this issue, I think the PRC, which possesses a great might, and the Chinese people, who have maintained fine traditions, will play a great role in the common cause of the Asia-Pacific people, which has long been AAPSO's desire.

Dr (Moral Ghaleb) stressed at the end: Our conference is being held at a time when a new, rapidly changing situation has emerged in the world and in this region. Therefore, it is necessary for us to correctly appraise the new developments in Asia and the Pacific in line with the world situation at present so as to outline a practical program of action to bring the people in this region to participate in the common struggle for peace, stability, and cooperation, and in the socioeconomic development.

After Mrs Nguyen Thi Binh, AAPSO vice president, read a report from the AAPSO Presidium Committee on the issue of security in the Asia-Pacific region, Thongkhoun Anantasounthon, chairman of the Lao United Buddhist Association and on behalf of the Asian Buddhist Organization for Peace; Singkapo Sikhotchounnamali, chairman of the Lao Committee for World Peace, Friendship, and Solidarity With Other Countries; and representatives of Lao mass organizations took turns presenting their views to the conference.

Phoumi Vongvichit Meet Delegates

*BK0508051088 Vientiane Domestic Service in Lao
0000 GMT 5 Aug 88*

[Text] Yesterday afternoon, Phoumi Vongvichit, acting president of the LPDR, received a courtesy call from delegations to an enlarged conference on Asia-Pacific of the AAPSO Presidium Committee, the conference that was held in Vientiane last Wednesday and Thursday [3 and 4 August]. On this occasion, Phoumi Vongvichit welcomed and highly assessed the success of the conference and considered this historic conference a great encouragement for the Lao people to build their country. He also informed the delegations of the movements of struggle for peace of the Lao people as well as of the peoples of the three Indochinese countries—Laos, Vietnam, and Cambodia—in the past and the present. The acting president was confident that the success of this conference will significantly contribute to settling various disputes in Asia—in particular the Cambodian problem—to maintain genuine peace and stability in the region.

He noted that with their aspirations, the peace-loving people in the world will certainly be able to defeat those who cherish war. He also reiterated that the government

and the peace organizations of Laos, as well as the Lao people, will do their best to contribute to establishing peace in Southeast Asia and the world for the prosperity and happiness of mankind.

(Dr Moral Ghaleb), acting president of the AAPSO, on behalf of the delegations, reported the success of the conference to the LPDR acting president. He also took this occasion to express thanks to the Lao Government and people for giving a warm welcome to the AAPSO delegations and providing conveniences for them in convening the conference. (Dr Moral Ghaleb) highly appreciated the tireless efforts of the Lao Government and people, together with the peoples of Vietnam and Cambodia, in carrying out the cause of struggle for a peaceful settlement of disputes in the region with a view to turning it into a region of genuine peace, friendship, and cooperation.

100-Kip Bank Note Put Into Circulation

*BK0408104288 Vientiane KPL in English 0918 GMTdd
4 Aug 88*

[“Notification of 100-Kip Bank Note”—KPL headline]

[Text] Vientiane, August 4 (KPL)—The National State Bank issued here on August 4 a notification on the circulation of the “100-kip bank note.”

According to the notification, the issue of the 100-kip bank note is aimed at strongly promoting production, monetary-commodity circulation and consolidating the bank note structure.

Philippines

Talks Still Deadlocked Over Bases Compensation

*HK0508054188 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 5 Aug 88*

[Text] There are strong indications that negotiations on the RP [Republic of the Philippines]-U.S. Military Bases Agreement will remain deadlocked, because of mutual disagreement over the compensation package and the antinuclear provision. Word is that if the review is not completed this month, the United States will probably not grant any additional compensation to the Philippines. Tony Valencia has more details:

[Begin recording] A source in the Foreign Affairs Department says that despite the fact that a broad exchange of ideas has taken place during the negotiations, the two panels remain deadlocked on the issue of compensation, because the U.S. is sticking by its initial offer of the \$540 million component through the Economic Support Fund and military assistance program and refuses to offer other options. Foreign Affairs Secretary Raul Manglapus says it is uncertain whether the negotiations can wind up this month because of the unresolved issue of compensation, but both panels are striving to reach agreement in time for the opening of the U.S. Congress this month.

The negotiations will recess tomorrow as Secretary Manglapus and American Ambassador Nicholas Platt are going abroad on official missions. [end recording]

Students Protest at Embassy

HK0508094388 Manila Manila Broadcasting Company
DZRH in Tagalog 0839 GMT 5 Aug 88

[Text] Here is a report from Resty Dequiros:

[Begin recording] We are in front of the U.S. Embassy in Roxas Boulevard. Earlier, thousands of students came to demonstrate and protest the continued presence of the U.S. military bases in the country. Then, after 3 minutes, elements of the Western Police District [WPD], led by Major Gonzalez, dispersed the students. Nobody was hurt on the side of the students, but some WPD men received injuries from the stones were hurled at them. Ten of the student leaders, who belong to various organizations, such as the League of Filipino Students, Kadena [Kabataan Para sa Demokrasya at Nasyonalismo—Youth for Democracy and Nationalism], NUSP [National Union of Students in the Philippines], and others, have been arrested by WPD elements. They are now being investigated.

The confusion has died down, everything is quiet now. [end recording]

Debt Relief Discussed

HK0508052388 Manila THE MANILA CHRONICLE
in English 5 Aug 88 pp 1, 7

[By Marites Sison]

[Text] The Philippines has suggested that the United States condone all its loans incurred through the Foreign Military Sales Credit (FMSC) since 1973 as part of the \$1.2 billion compensation package it is demanding for the American use of the military bases here, a foreign affairs official said yesterday.

The official, who spoke on condition of anonymity, refused to state the exact amount of loans the Philippines still had to pay the U.S. defense department.

But he said they would amount to "nine figures," or millions of dollars.

The U.S. Embassy, when contacted by phone by the 'CHRONICLE' said it did not have the figures ready on hand.

Official figures, however, suggest that the U.S. had committed a total of \$750 million for FMSC for the periods 1973 to 1979, 1979 to 1984, and 1984 to 1989.

The Department of Foreign Affairs and U.S. Embassy could not provide yesterday the figures on how much of the \$750 million loans through FMSC the Philippines had been able to pay.

The FMSC is one of three modes of compensation used by the U.S. to pay for the use of the bases here.

The loans are payable in 20 years, with a 10-year grace period and a 9 percent interest.

The foreign affairs official said the Philippines suggested the write-off of the FMSC loans as part of the \$700 million non-cash component in the \$1.2 billion compensation package it is seeking from the Americans.

The write-off proposal had been referred to Washington, said the official, when asked how the U.S. panel headed by Ambassador Nicholas Platt reacted to the proposal.

Another source said the proposal is likely to gain approval from the U.S. government since it had been done before in the case of Egypt and Israel.

Foreign Secretary Raul S. Manglapus indicated last Wednesday that the Philippines was seriously considering some form of debt relief as part of the bases compensation package.

Manglapus also said that the Philippines would be interested in a write-off of official, not commercial, loans extended by the U.S. The FMSC is considered an official loan.

The foreign affairs official also said the bases talks which resumed last Tuesday, a week after it broke down, may extend beyond the end of this month.

"At the rate we're going, I doubt if we will be able to finish by the end of August. We might have to extend up to September, the official said.

But Manglapus in an interview with newsmen, expressed hopes that the two panels will be able to reach an agreement by the end of the month.

The talks were earlier expected to be concluded at the end of last month, but was derailed because of "substantial disagreements" over key issues as compensation and the implication of the nuclear-free provision of the Constitution on the U.S. military operations through the bases.

Aquino Confirms Loans Proposal

HK0508141588 Manila Radio Veritas in Tagalog
1300 GMT 5 Aug 88

[Text] President Corazon Aquino has today confirmed reports that she has proposed the condonement by the United States of America of all or part of the country's loans as part of the compensation package for the maintenance of the U.S. military bases in the country until 1991. The country's total loans from the U.S. banks is said to amount to millions.

According to Press Secretary Teodoro Benigno, the president said that this proposal has been relayed to the U.S. through the Philippine panel on the bases review talks.

Alternative Bases Use Reported

*HK0508051588 Manila BUSINESS STAR
in English 5 Aug 88 p 18*

[Text] The government has worked out a formula for raising P7.5 billion for a "reserve fund" that will finance alternative social and economic uses of the U.S. military bases in the event of an American withdrawal.

The formula revealed yesterday by Rep. Jose de Venecia (Lakas ng Bansa [Lakas, Nation's Power], Pangasinan), who said that the development of the formula is the "first step towards the realization of the alternative plan to be implemented by the government for the use of the U.S. bases in the event of partial or total U.S. withdrawal."

Under the formula, the P7.5-billion bases reserve fund will be integrated in the 1989 national budget that is scheduled to be submitted to Congress when it convenes for its second session in July, this year.

De Venecia told BUSINESS STAR that the formula was worked out recently by Budget Minister Guillermo Carague and Rep. Rolando Andaya (Unido [United Nationalist Democratic Organizations], Camarines Sur), chairman of the House committee on appropriations.

The development of the formula follows the approval last week by the House of Representatives of a resolution, sponsored by 130 congressmen led by Rep. Jose De Venecia, requesting President Aquino to create a P7.5 billion bases reserve fund to finance the alternative plan for the use of the bases that is presently being prepared by a tricommittee House body assisted by the executive departments.

De Venecia said the creation of the reserve fund was approved privately by members of the Cabinet led by Foreign Affairs Secretary Raul Manglapus, Economic Planning Secretary Solita Monsod, and Carague in a meeting held at his residence in Makati, last week.

The creation of the reserve fund has also drawn support from members of the Senate led by Senator Leticia Shahani, chairman of the Senate committee on foreign relations.

De Venecia said Shahani has expressed the intention of making the House-approved resolution, calling for the creation of the reserve fund, into a concurrent House-Senate resolution to hasten its passage into law.

The resolution also calls for the establishment of a joint executive-legislative council to administer and supervise the fund.

The reserve fund shall be appropriated within a three-year period with appropriations amounting to P2.5 billion annually from 1989.

Referendum Before 1991 Said Not Possible

*HK0508050388 Manila PHILIPPINE DAILY
INQUIRER in English 5 Aug 88 pp 1, 10*

[By Roy de Guzman]

[Text] Justice Secretary Sedfrey Ordoñez said yesterday he believes "it is not possible" to hold a referendum before 1991 to determine the fate of U.S. military bases in the country.

Ordoñez shared the opinion of former Sen. Aruro Tolentino during the hearing conducted by the House committee on national defense, that a referendum staged before the expiration of the RP-U.S. Military Bases Agreement is "unconstitutional."

Press Secretary Teodoro Benigno told reporters Wednesday that President Aquino was thinking of holding a referendum to gauge how the people feel towards the bases. Earlier this week, Speaker Pro Tempore Antonio Cuenco filed with Rep. Leonardo Guerrero (NP Cavite) House Bill No. 15113 calling for a referendum to coincide with the Nov. 14 barangay elections.

"I do not know what the President said but I think it is not possible (to hold a referendum)," Ordoñez said when asked if his statement contradicts with Ms. Aquino's view. He said he has not been asked for a legal opinion by Malacanang.

Tolentino said the referendum is a veto power the people can exercise to recheck my treaty entered into by the President and the Senate.

But he said a referendum now will be misleading especially, if the practice-during the Marcos rule of making the people answer by just "yes or no" will be followed."

Ordóñez said the issue was already settled in 1971 when the Supreme Court upheld a petition filed by Tolentino that a referendum can only be held with the scuttling of the bases pact.

The justice secretary also pointed to the transitory provision of the Constitution which provides that it is Congress which should call for a referendum.

Guerrero, co-author of HB 15113, said the bill "is not violative of the Constitution." He said the referendum will merely get the consensus and try to reflect the people's will to guide the government in its negotiation with the U.S. over the bases in the country.

"It is only right and fair that everyone should be given the opportunity to be heard and express his or her preference regarding the extension or termination of the U.S. bases," Guerrero said.

Meanwhile, the House committee on national defense is winding up its deliberations on the proposed anti-nuclear weapons bill still pending in the House.

Committee chairman Jose Yap (PDP-Laban [Pilipino Democratic Party-Strength of the Nation], Tarlac) said the committee will decide if the controversial measure will be passed on to the floor for second reading after another committee meeting, this time with Foreign Secretary Raul Manglapus testifying.

Yap said the bill "has great chances" of being endorsed by the committee. The Senate has already approved a similar measure.

Legal experts believe that an anti-nuclear policy, in effect, means the U.S. bases will also have to go.

Meanwhile, Senators Wigberto Tanada, Aquilino Pimentel, Teofisto Guingona, Rene Saguisag, Emmesto Herrera, Ernesto Maceda and Juan Ponce Enrile, all said they are opposed to a referendum on the bases, saying that a referendum before the drafting and ratification of a treaty is premature and unconstitutional.

Tanada said whoever proposed that does not know the law and the Constitution.

Enrile said "they better shut up if they don't know what they are talking about." He added that it was a sign that Ms. Aquino was a weak leader.

"It (the government) does not want to make its own decision. It wants to pass the back to the people," Enrile said.

Sen. Heberon Alvarez said, "Let us not put the cart before the horse." He said the proposal is part of an attempt to polarize the Filipinos on the issue.

Maceda called it a "bargaining gimmick."

Daily on Aquino Stance

HK0508053188 Manila PHILIPPINE DAILY
GLOBE in English 5 Aug 88 p 4

[Editorial: "Appearing To Favor a Referendum"]

[Text] Even before she assumed the Presidency, Mrs. Aquino had maintained that she would allow the retention of the American bases in the country until 1991 when the RP [Republic of the Philippines]-U.S. Mutual Agreement on the bases expires, but that she would keep her options open regarding their fate after 1991. This "open options" policy has since become the object of political prurience.

The President's reserve, however, has been continually challenged on several occasions; indeed, the fast pace of developments on the issue of the U.S. bases in the country not only overtook that reserve, but even appeared to have nullified the President's option. After the Senate passed the bill on the nuclear ban, and after the Secretary of Justice propounded his opinion on the nuclear-free provision of the Constitution, the President was left only a very thin area for making her policy credible.

Malacanang's Wednesday announcement that the President appeared to have indicated that she favors a referendum on the bases seems to take cognizance of the narrowing space for decision for President Aquino. The announcement was cleverly crafted so that it does not commit the President to a position on the issue. In making the announcement, Press Secretary Teodoro Benigno tried to be as coy as his chief. The President, he said, "thought it might be better" to hold the referendum after the conclusion of the ongoing review of the RP-U.S. Military Bases Agreement, adding this equivocation: "She didn't say she is in favor. She indicated she might be in favor" of the timetable.

As in the opinion of the Secretary of Justice on the nuclear ban, the statement of the Press Secretary strains the limits of logic and syntax. If it is not certain that the President is in favor of a referendum, why should she favor the date of its being held?

This time, the President cannot hide behind ambiguities. The relevant Constitution prescription, as has been observed by some members of the Senate, has already been submitted to the people and the procedural measures given a popular mandate. Sec. 25 of Article XVIII (Transitory Provisions) is unequivocal. "After the expiration in 1991 of the Agreement Between the Republic of the Philippines and the United States of America Concerning the Military Bases," it states, "foreign military bases, troops, or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting State."

Thus, if the President is inclined to favor the maintenance of foreign military bases in the country after 1991, as she sometimes appears to say, she should initiate the drafting of a treaty and submit the same for concurrence by the Senate. Should Congress require by law a national referendum, it has to be ratified by a majority of the votes cast by the electorate.

By ignoring the letter of the constitutional provision on the issue, Malacanang, instead of charting a clear position on an important issue, merely succeeds in obfuscating it and confusing us.

Aquino Urged Against Referendum
*HK0508053588 Manila PHILIPPINE DAILY
GLOBE in English 5 Aug 88 p 4*

["Turn of Events" column by Francisco S. Tatad:
"Bucking the Referendum"]

[Text] President Aquino has indicated that she is in favor of holding a national referendum on whether or not to extend the tenure of U.S. military bases in the country, Press Secretary Teodoro Benigno said (Wednesday).

This is what the GLOBE said yesterday. Whether the words belong to Malacanang or the paper, two points must be made. First, under the Constitution, the fixed term of the bases agreement expires and may not be extended after 1991. Second, these are not U.S. but Philippine bases hosting U.S. military facilities.

The distinction is important, and may not be glossed over without, in the first instance, violating the Constitution, and without, in the second, ignoring the gains made by our government, first in the exchange of legal briefs between Claro M. Recto and the U.S. Attorney General on the ownership of the bases in the '50s, and then from Marcos's insistence in the '70s, that they be formally called "Philippine, bases."

Precisely, Justice Secretary Ordoncz's legal opinion is wrong because it says the President may negotiate a "modification or extension" of the agreement where the Constitution speaks of termination, to wit: "After the expiration in 1991 of the Agreement Between the Republic of the Philippines and the United States of America Concerning Military Bases, foreign military bases, troops or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when the Congress so requires, ratified by a majority of the votes cast in a national referendum held for that purpose, and recognized as a treaty by the other contracting State."

Giving due allowance for the lack of precision in the language and interpreting it in the government's favor, what is obviously meant is that Mrs Aquino is inclined to favor a referendum asking the people whether they want a new military bases treaty or not, after 1991. If this is in fact what the government means, then the question is, does the President have the power to call such a referendum? And is it wise or unwise to do so?

Given the plenitude of her powers, it would seem the President may call a referendum on any subject, whether it be to ask if the people approve of an important policy decision or whether she should wear eyeglasses that match the tint of her shoes, lips and nails. It would seem she could call a referendum to find out whether or not she should negotiate a new bases agreement.

But on that specific question, there is no room for misinterpretation. A referendum may be called, when the Congress so desires, after the Senate has ratified a new treaty, which is the only permissible form of any new agreement. The provision is a little stupid, for it gives rise to the possibility that a treaty which has been concurred in by the Senate and needs nothing more to come into force and effect, if submitted to a referendum, might be voted down by the electorate. And yet that particular defect does not permit the President to call a referendum on the bases before the Senate has acted favorably on a new treaty.

Now, is it wise or unwise to call a referendum? It would seem wise because it shows the government's desire to consult fully with the people. Yet if a referendum is needed by the government to arrive at a position on this question, then a referendum is needed to arrive at a decision on every other question. That is not the meaning of representative government, and is neither wise nor feasible.

By definition, a representative government makes policy choices for the people, even at the risk of being turned out for making the wrong decisions. The leader who first wants to see where his people are going so that he can lead them is usually not a leader in the real sense of the word but a demagogue who wants to have a good showing at the popularity polls.

Finally, a referendum on the bases invites foreign intervention and submits itself to the mercy of a corrupt system. Given the U.S. interest in the issue, it would be foolish to expect the U.S. not to try to influence the results of the referendum. Now, if computers could deprive winning candidates of their Senate seats in 1987, can a referendum be much cleaner? Mrs Aquino has to buck the idea, and reveal her position without falling back on "the voice of the people." This is one time she must stand on her own.

Manglapus Cites U.S. Violation of Jurisdiction
*HK0508095188 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 5 Aug 88*

[Text] Foreign Affairs Secretary Raul Manglapus charged that the Americans were violating provisions on criminal jurisdiction in the Military Bases Agreement. Rey Arquiza of Mobile 21 has the details:

[Begin recording] The murder of a Filipina by her husband, a U.S. Navy petty officer, in Australia due to intense jealousy was brought up at the ongoing talks of criminal jurisdiction section of the Military Bases Agreement.

The slaying of Bella Rodriguez of Ilocos Norte by her husband, Charles Elmore, on February 1988 was cited by Foreign Affairs Secretary Raul Manglapus as a glaring example of American violation of the provision on

criminal jurisdiction in the Military Bases Agreement. American authorities allegedly sought to transfer Elmore to Europe to keep him from being charged in court.

Reports claimed that Elmore strangled Rodriguez, a divorcee, because he suspected that she was seeing other men. His suspicions were heightened when Rodriguez failed to follow him immediately to Australia after his transfer there from the Philippines. She apparently arrived a week later than scheduled. The two had only been married in November last year.

Shortly after her arrival in Australia, Rodriguez disappeared until her body was discovered by police authorities in a remote area in Australia. After compiling solid evidence against Elmore, the police charged him in court.

According to Manglapus, the Elmore case was just one of the many cases where American servicemen who committed crimes outside of duty were able to walk free.

From the Philippine International Convention Center, Rey Arquiza reporting. [end recording]

Meanwhile, Noli Mapa reports from Cebu that Cebuanos favor the maintenance of U.S. military bases in the Philippines.

[Begin recording] Majority of Cebuanos favor the retention of U.S. military bases in the Philippines but they also believe that the country will survive even if the bases are pulled out. This was the result of a survey conducted by 50 political science students of the University of San Carlos for the school year 1987-88.

The survey also reveals that Cebuanos favor the holding of a national referendum to let the people decide the bases issue.

More than 800 respondents from four sectors in society, namely: professionals, businessmen, college students and labor, took part in the survey. The report said that 69.07 percent of the respondent favor retention of the bases, 25.81 percent were opposed to retention, and 5.12 percent undecided.

More than half of the respondents or 57.14 percent believe that the economy will improve even if the bases are withdrawn.

Noli Mapa of DYRC-Cebu City reporting. [end recording]

Benigno Addresses Questions on Captured Fisherman
HK0408093188 Manila Radio Veritas in Tagalog
0700 GMT 4 Aug 88

[Italics denote passages in English]

[Text] Here is Gabby Salcedo reporting from Malacanang:

[Begin recording] [Salcedo] President Corazon Aquino expressed concern over the reported death of one of the 49 Philippine fishermen who are being detained in Malaysia. According to Press Secretary Teodoro Benigno, the president hopes that this issue will soon be resolved.

It will be recalled that the 49 fishermen were arrested by Malaysian authorities for intruding its territorial waters. Here is Press Secretary Benigno answering Malacanang newsmen on behalf of the president:

[Benigno] *Your first question: May we have your reaction, and, or, directive, if any, regarding the reported explosion of a Philippine cargo ship out the Hormuz Strait that might have killed a still undetermined number of Filipinos aboard?*

We don't have any official report yet on this matter. So that it is very difficult for the president to comment on a report that is not yet official. She will make comments once there is an official report, and it will be ascertained or confirmed that Filipinos have been killed. Have you already received an official report?

[Unidentified speaker's answer indistinct]

[Benigno] *Now your second question: Can you react to the alleged pressure of the Marcos cronies and the PCGG [Presidential Commission on Good Government], including Chairman Ascuna?*

The president's answer: I have said in the past that I have full confidence in acting chairman Adolf Ascuna, and I know the rest of the commissioners do not succumb to any form of pressure to the Marcos cronies.

Now, your third question about the Philippine fisherman who died in Malaysia.

Her answer: This is indeed very unfortunate that such a thing could happen. Hopefully, this tragedy will timely convince the Malaysian authorities to speed up the release of our fishermen.

Now the president said that a lower court in Malaysia already acquitted the fishermen. But that has to be elevated to the Supreme Court. It seems that double jeopardy is involved.

Now, there was another question you asked which I answered, which I thought could also be—should be presented to the president—about the communist leaders who are sick. And there seems to be a group that wants to have them released for medical attention. The president said that she called up General Renato de Villa, the chief of staff, about the matter. And General De Villa assures us that the AFP [Armed Forces of the Philippines], the military, has adequate medical and health facilities to be able to attend to the sicknesses of the communist leaders involved.

[Unidentified female reporter] *How about the referendum?*

[Benigno] *Referendum will be after the Senate ratifies the agreement. [Words indistinct] is not after the negotiations but after the agreement is presented to the Senate for ratification. When it is ratified, then it will be presented to the people by referendum. That is what she was referring to. But she is not yet going to make a definite decision on the matter.*

[Unidentified Male Reporter] *But this definitely it is not in November, during the barangay elections?*

[Benigno] *We do not know when the negotiations will end, and when it will be ratified by the Senate. [Words indistinct] how the negotiations can be speeded up and when it will be presented to the Senate for ratification. Now, if it is not ratified by the Senate, then we do not need to have referendum. But if it is ratified, then you bring it to the citizens for a referendum.*

[Unidentified male reporter] *Sir, do you believe that if the Senate will turn it down, definitely there will be no referendum?*

[Benigno] No more referendum.

[Unidentified male reporter] Thank you sir. [end recording]

Manglapus Warns Malaysia

HK0508052188 Manila THE MANILA
CHRONICLE in English 5 Aug 88 pp 1, 7

[By staff members Marites Sison, Sammy Santos and Alan C. Robles]

[Text] Foreign Secretary Raul S. Manglapus warned yesterday of "serious" consequences to Philippine-Malaysian relations if Kuala Lumpur continued to drag its feet in releasing the Filipino fishermen it was detaining.

"Kapag hindi pinakinggan ang ating hinihingi ay magkakaroon tayo, ng malubhang problema sa, kanilang gobyerno [If they do not heed our request, we will have serious problems with their government.]" Manglapus told the families and relatives of the 49 fishermen, who have been detained in Sabah for four months now.

One of the Filipinos, Bobby Vijuan, died Wednesday reportedly after learning he could not go back home, though he and the others had been acquitted by the Sessions Court in Kota Kinabatu.

The Malaysian government had appealed the decision, preventing the accused from leaving.

The Malaysian embassy here yesterday expressed regret over what it called an "unfortunate incident."

Manglapus, however, called Vijuan's death a "serious" matter and warned that Manila was beginning to lose patience.

"Tayo dito ay nawawalan na ng pasensiya, [Our patience is wearing out.]" he said. "What is happening is not what we expected."

Counsellor Tengku Idriss Tengku Ibrahim of the Malaysian embassy said he hoped the death would not strain relations between the two countries.

He added that he did not know what the chances were of Malaysia's granting a request sent by Manila two days ago to release the prisoners on humanitarian grounds.

As far as he knew, he said, the matter had already been brought to his country's highest authorities.

He also said he was "not aware" that the Filipino prisoners had been maltreated by their captors, as charged by Inocencio Ronquillo, a legal consultant of the fishermen.

In Malacanang, President Aquino expressed hope that Vijuan's death would convince Malaysia to release the prisoners, who are out on bail but are forbidden from leaving Sabah.

In a statement read by Press Secretary Teodoro Benigno, the President said it is unfortunate that such an incident could happen hopefully with this tragedy, we will finally convince the Malaysian authorities to release our fishermen."

Benigno said "there seems to be a case of double jeopardy" in the decision to appeal the case in a higher court.

But Ronquillo told the 'CHRONICLE' that Malaysian law is patterned after the British model, which allows the Government to appeal a lower court's unfavorable decision.

Manglapus said he had instructed Ambassador Pablo Suarez in Kuala Lumpur to follow up the note sent on Monday with a "stronger" note expressing Manila's "disappointment."

The foreign secretary refused to call the new note a "diplomatic protest," saying it was only a "diplomatic presentation of our position, a reminder that what is happening is not what he expected."

He explained that Malaysia had given Manila hope that if the Sessions Court convicted the fishermen, the Government would move to extend clemency, and if the court acquitted the fishermen, "obviously they would not stand in the way and everybody would go home."

Instead, what happened was "the exact opposite...the court looked on us with understanding, but not their government."

Manglapus declined to comment on charges that the seizure of the Filipinos and their vessels was a Malaysian provocation related to the Sabah issue.

He said that "Malaysia does not have to exert any pressure on us because we have already been pressuring Senate to pass the bill (dropping the Sabah claim)."

Manglapus could not tell what the Government would do if Malaysia didn't accommodate Manila's requests.

"That's something we'll have to deliberate on," he said.

The foreign secretary said Vijuan's body was still undergoing autopsy in Sabah and would be shipped to Manila in a few days.

The families of the surviving prisoners appealed that the other fishermen be allowed to accompany Vijuan's remains back home.

Aquino's Brunei Visit Set for 23-24 August
HK0508053988 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 5 Aug 88

[Text] President Corazon Aquino is scheduled to visit Brunei on August 23-24. This was announced by the Department of Foreign Affairs yesterday. The 2-day official visit by the president aims to persuade Brunei to join in the American-backed multi-billion aid package to salvage the Philippine economy. The president's visit also aims to expand relations between both countries. This is Mrs Aquino's sixth visit abroad since she assumed office in February 1986.

Poor Absorption of Foreign Aid Reported
HK0508102988 Manila MANILA BULLETIN in English 5 Aug 88 p 25

[Text] The Philippines has been a very poor user of cash aid from abroad.

The government used up only about \$1.995 billion of the \$4.183 billion official development assistance (ODA) committed for 116 projects as the first quarter this year, figures released by the National Economic and Development Authority (NEDA) showed.

The amount represents a utilization rate of 68.1 percent of the scheduled availment of \$2.93 billion during the period.

Project monitoring staff assistant director Jun Varela said that of the major ODA sources, the availment rate of the Overseas Economic Cooperation Fund [OECF] of Japan was the lowest at 54.3 percent during the period. This translates to \$612.6 million of the scheduled availment of \$1.13 billion.

Out of the \$4.18 billion committed ODA as of end March this year, OECF accounts for \$1.4 billion; the International Bank for Reconstruction and Development [IBRD] of the World Bank shares \$1.49 billion; and Asian Development Bank [ADB], \$1.1 billion. The utilization rates for IBRD and ADB were 79.2 percent and 71.9 percent, respectively.

In dollar terms, IBRD-assisted projects absorbed about \$835.3 million of the scheduled \$1.06 billion during the first quarter of 1988. Actual availment of ADB-funded projects, on the other hand, amounted to \$409.6 million of the scheduled \$570.1 million in the same period.

Compared with NEDA's end-December 1987 figures, the utilization rate level was almost equal at 70.7 percent considering the projects covered, totalling 126. Ten of ODA-financed projects had already been completed as of end-March this year.

Last year, committed ODA for the 126 projects reached \$4.15 billion. Of this, the scheduled availment was \$3.07 billion but only \$2.17 billion was actually utilized.

The NEDA officials pointed out that while the utilization of the ODA largely depends on the implementation capability of the agency recipients, there were measures already initiated to speed this up.

Military Offers NPA Exchange of Prisoners
HK0408123388 Quezon City Sports Radio 738 in English 1100 GMT 4 Aug 88

[Text] The military today made a counter-offer in exchange for the release of 5 soldiers being held hostage by rebels in Quezon province.

General Honesto Isleta, AFP [Armed Forces of the Philippines] Deputy Chief of Staff for Civil Military Operations said they will release Stellan Hermansson and Klaus Schmidt. The two were suspected of aiding communist guerillas in the Quezon province. The general expressed hopes that the NPA would accept the offer to end the stalemate in the negotiations. Isleta said the offer is the only concession that the military could give to the rebels. The general brushed aside the demand of the rebels to release two communist leaders and three women detained by the military.

Ramos Opposes Exchange
HK0508112988 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 5 Aug 88

[Italics denote passage in English]

[Text] Defense Secretary Fidel Ramos today said that he opposes any exchange of prisoners between the government and the rebels. He made the statement following an announcement yesterday by General Honesto Isleta, vice

chief of staff for civilian military operations, that the military was prepared to release two foreigners who had allegedly abetted the rebels in exchange for five soldiers held by the NPA.

Earlier, Gregorio Rosal alias Comrade Roger proposed swapping the five soldiers for two top CPP [Communist Party of the Philippines]-NPA leaders currently in military custody.

[Begin Ramos recording] That is not possible, that is, *swapping or exchange of kidnap victims or any other considerations that would involve exchanging of people. [passage indistinct] This has no international dimension. This is purely an internal matter of this country.* It is clear that the CPP-NPA wants to conduct swapping *because they want to create a semblance of belligerency. Certainly, maybe they are using this as an initial ploy for some swapping of higher personalities later on.* But of course, we won't accede to that. [end recording]

Guerrillas Reject Offer

HK0508123988 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 5 Aug 88

[From "GMA News" program; italics denotes passages in English]

[Excerpts] Civilian negotiators have offered a new proposal for the release of 5 soldiers being held captive by the NPA in Mt Banahaw, while the NPA has rejected the Armed Forces of the Philippines' offer to swap the two Europeans, detained on suspicion of aiding the guerrillas, for the five soldiers. Here is Jessica Soho with the details:

[Begin recording] [Soho] In the negotiations that resumed last night and which lasted for 4 hours, the civilian negotiating panel presented a counter-proposal to the rebels. Both parties, however, refused to reveal what the counter-proposal was, but it was clear that it could result in the NPA's cancellation of its demand on hostage or prisoner exchange. It was not known whether Comrade Roger's group would accept the counter-proposal. [passage omitted]

[Unidentified man] We have been offered a proposal that we are going to study.

[Unidentified reporter] Does it concern the hostage swap demand, sir?

[Unidentified man] Maybe. They are offering us some things, some persons, and we are going to discuss it and make consultations with our group. *The nature of the counter-offer will not—I'm not free to divulge because they are going to study it. But it is not in the nature of a prisoner exchange.*

[Soho] Comrade Roger also rejected the military's offer to free two Europeans and a German of Philippine descent suspected of assisting the communist guerrillas in Quezon for the release of the five soldiers. [end recording]

Official Warns Communist Infiltrating Government

HK0508100188 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 5 Aug 88

[Text] Defense Under Secretary Fortunato Abat warned of continuing efforts by the Communist Party of the Philippines to infiltrate government bureaucracy. He called on the public not to be taken in by misconceptions on the country's security situation. He also warned the military not to rest on their laurels, stressing that the loss of top NPA leaders is a temporary phenomenon. The defense official also called for more work and less talk.

Military To Resume Operations in Quezon

HK0408142988 Manila Radio Veritas in Tagalog 1300 GMT 4 Aug 88

[Text] Southern Command Chief General Alejandro Galido said that the military will launch extensive operations after the ongoing cease-fire in Quezon Province lapses. The 10-day cease-fire that took effect on the last week of July will end tomorrow, 5 August at around 1200. Galido said this move is in compliance to President Aquino's directive to rescue and save the military officials held hostage by the guerrillas at Mt Banahaw.

More on Resumption

HK0508101788 Manila Radio Veritas in Tagalog 0700 GMT 5 Aug 88

[Text] Military operations were resumed today on major Quezon towns after the 10-day ceasefire lapsed. However, Southern Command Chief Brigadier General Alejandro Galido strictly ordered military men not to touch Sariaya town at the foot of Mt. Banahaw where release negotiation for the soldiers held captive by rebels is taking place. Galido said that this directive would only last until 10 August.

10 Camp Crame Raiders Arrested; More at Large

HK0508045788 Manila MANILA BULLETIN in English 5 Aug 88 pp 1, 16

[By Wilma N. Yamzon]

[Text] Constabulary agents arrested an Army colonel and 10 former soldiers involved in the Camp Crame raid last June 11 in separate raids last Tuesday and Wednesday in Metro Manila.

Maj. Gen. Ramon Montano, PC-INP chief, however, said seven suspects remained at large.

Arrested were Lt. Col. Pacifico Lasmarias, assigned to the office of the Adjutant General in Camp Aguinaldo; former sergeant Ponciano Galon, former corporal Elmer Tabit, former privates first class Eliseo Cababanua and Juanito Tampi; former seaman first class Henry Malong, former draftees Andres Aguilon and Melecio Bernaldez, Rodolfo Reyes, and two others identified only as Jerry and Joker.

Lasmarias was said to have played a vital role in the execution and planning of the raid in a bid to free detained ex-PC Col. Orlando Dulay.

Col. Evaristo Carino, PC Criminal Investigation Service (CIS) chief, said four Armalite rifles confirmed to have been taken by the raiders from the PC band armory were recovered from the suspects.

He said the white van used in escaping from Crame was also recovered in Quezon City.

All those arrested are members of the "Black Forest Commando," a group said to be loyal to deposed President Ferdinand Marcos, the military said.

Carino said he ordered the immediate arrest of Lasmarias after he was implicated by some of the suspects arrested this week.

He disclosed that most of the soldiers arrested pointed to Lasmarias as "the one who facilitated everything about the raid."

The CIS chief said he will investigate the reported involvement of some politicians and businessmen in the Crame raid. He refused, however, to identify them, pending the outcome of the investigation.

The arrest of the 11 suspects in Crame raid came four days before the PC celebrates its 87th anniversary on Aug. 8.

Carino said intensified intelligence operations by the CIS resulted in the identification of a certain Memberto Rivera, a resident of Villa Isabel Rosa Golden Hills in Antipolo, as the person who facilitated the repainting of the van used by the raiders.

However, upon further verification, Constabulary agents found out that it was Alexander Ribison, Rivera's friend, who actually repainted the van at Rivera's residence.

Ribison, upon his arrest, revealed all those involved in the raid.

Col. Cris Maralit, PC spokesman, said that still at large are Eduardo Flores, former member of the PC Band and leader of the Black Forest Commando; Domingo de la Cruz alias Tatang; a certain Bert, driver of a green

Toyota car used in the raid; a certain Gary, owner of a red motorcycle left at the camp after the raid; a certain Vic, driver of a black car; a certain Mao, an Army soldier and a certain "Igorot."

Opposition Parties Alliance Said Shaping Up
HK0508050788 Manila PHILIPPINE DAILY INQUIRER in English 5 Aug 88 pp 1, 10

[Text] Several "big-name" opposition politicians are joining ranks to form a high-powered umbrella group to counter the inroads being made by the Lakas ng Demokratikong Pilipino [Pilipino Democratic Struggle] (LDP) and other organizations sympathetic to the Aquino administration

The two most prominent names being tossed about who could possibly unite the fractious opposition parties in the country belonged to Vice President Salvador Laurel and Senator Juan Ponce Enrile.

During a marathon meeting the other night at a Makati restaurant, the opposition leaders sat down together, some for the first time, to discuss the possibility of getting together all political parties "not sympathetic to the present administration" under one roof.

There were no permanent agreements reached, as each one had to consult with his party to be able to make a definite commitment, but all were one in saying there is a need to put up a strong opposition to foster the democratic ideal.

Aside from Laurel and Enrile, others who attended the "feeler" meeting were Minority floor leader Rodolfo Albano, Assistant minority floor leader Salvador Eseudero III, Rep. Antonio Abaya (KBL, Isabela), Arturo Tolentino, former Speaker Jose Laurel Jr., Francisco Tatad, Wilson Gamboa, Homobono Adaza, Gonzalo Puyat II, Rep. Jose Rono (KBL, Samar), Rep. Jose Aspiras (KBL, La Union), Rep. Antonio Cerilles (NP, Zamboanga Sur), Rep. Constantino Navarro (KBL, Surigao del Norte) and Rep. Simplicio Domingo (KBL, Isabela).

Interviewed by the INQUIRER, Laurel feigned ignorance of the plan to draft him as head of the new super opposition alliance.

He said that as of now the Unido, [United Nationalist Democratic Organizations] which he heads, is still technically a part of the ruling coalition and has not yet formally announced a breakaway.

But he said: "Anything is possible. As a consequence of the formation of the LDP and the realignments going on among coalition members, it is only logical for the opposition to think of something similar."

Laurel categorically denied (for the meantime) any formal fusion of opposition groups.

"I don't think anybody was in a position to commit his party to joining without prior consultation with his people," he said.

Escudero said the groundwork for the unification is presently being laid out by certain congressmen whom he did not wish to name.

"We are conducting talks with the leaders of these groups. The mechanics have still to be worked out," he said.

Abaya said the membership of the alliance will not be limited to national parties, but will also be open to regional or provincial groups.

Gamboa, who is a leader of the Grand Alliance for Democracy [GAD], was skeptical, about having his party join the alliance. "I don't think it is a good idea for the GAD to link up with them. "It's a different GAD we have right now. We're going places," he said.

Tatad offered his observation: "I just hope it turns out to be a real umbrella group, and not a parasol."

Congress Labeled 'Bastion of Irrelevant'
*HK0408051688 Manila PHILIPPINE DAILY
GLOBE in English 4 Aug 88 p 4*

["Turn of Event" column by Francisco S. Tatad: "The Irrelevance of Congress"]

[Text] Wherever anyone wants to recite an ode to "democracy," one invariably mentions the Constitution and Congress. These, says the spontaneous lyricist, are living proofs of our "new democracy." Yet, in the hands of the Aquino regime, the Constitution has become a joke, and Congress worse.

Forget the Constitution for a while and concentrate on Congress. How quickly has it become the bastion of the irrelevant, the opportunist and the privileged! The Senate has atrophied into a minor council where but for one or two possibilities no great minds or consciences have strayed, no great issues are debated, and the majority seem to have taken a vow of perpetual silence. No great issues unite them, on almost every small issue they are divided.

The House of Representatives is only as good as its leader, Speaker Ramon Mitra Jr., who is now running what perhaps is the country's largest intellectual deficit. On every major issue, Mitra has faithfully and unerringly manned the wrong side. Regardless of the size or quality of the issue, he has managed, all by himself, to come out with the most awful public statement, as though he had an exclusive title to it. He has become Mr Double speak himself.

One may argue that a certain "symmetry" exists between and among Mrs Aquino's non-performing presidency, Mitra's self-indulgent and self-seeking speakership, and the graft-ridden departments and agencies like PCGG [President's Council on Good Government] and the NFA [National Food Authority] where the unfit hold sway, and that in such a symmetry, even the intelligent individual or organization is ranged against overwhelming odds. But Mitra's House has behaved as though mediocrity, malignity and malevolence were priceless national assets.

It is of course unfair to convict an institution because of the crimes of its members. But lacking any redeeming collective merit, the institution is easily penalized for its members' defects. And worse than this has happened to Mitra's house.

If the House had a clear agenda other than the customary railroading of a gargantuan budget, we have not seen it. If the House had any program to solve the internal strife and the hopelessness that seems to grow faster than the bounding official economic statistics, we have not heard of it. If the House had any sizeable numbers willing to put their convictions ahead of their convenience in defense of the public interest, we have only been hearing and seeing their opposite. What we have seen so far is this:

1. "Until the Congress provides otherwise," says the Constitution senators and congressmen shall receive an annual salary of P204,000 each. Yet in gross violation of this provision, and of the other provision, which says "no elective or appointive officer or employee shall receive additional, double or indirect compensation, unless specifically authorized by law..." the House has managed to pay each congressman from P95,200 to P120,000 or more a month.

2. Not content, there is now a proposal to increase the salaries of all high officials in the guise of salary "adjustments." The money will be borrowed as it can't be raised from local sources. But it is shamelessly mentioned as a priority by pillars of this supposedly moral government. It is class legislation by the privileged for the privileged, certain to increase support for the CPP [Communist Party of the Philippines]-NPA-NDF.

3. In the face of unserved high social and economic priorities, several members have proposed, at the cost of millions, to relocate Congress from its present Quezon City home to the unfinished PNB [Philippine National Bank] building at the bayside. The public outcry against it has not dampened the zeal of those who are determined to make a killing from it.

4. Having prejudged Homobono Adaza's impeachment complaint against the President as "trash" even before he could read it, Mitra has now coerced the three congressmen who had endorsed the complaint. And

seeing a "window of opportunity" for themselves, the House "company union" went to Malacanang with Mitra "to ask the President to support their projects."

With all due respect to my dear personal friends in the Congress who have tried to do their best in spite of the place and its uninspiring leadership, I am led to the conclusion that the nation would be none the worse were a natural or man-made calamity to level off the House of Reprehensibles from the face of the earth.

Aquino In-Law Ordered To Answer Anomaly Charges
HK0508113188 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 5 Aug 88

[Text] President Aquino today expressed hope that Congress will not dissolve the Presidential Commission on Good Government [PCGG]. This was announced by Press Secretary Teodoro Benigno at a press briefing in Malacanang. Sel Baesa has the full details.

[Begin recording] According to Secretary Benigno, the president reportedly expressed hope that Congress will not dissolve the PCGG which is currently auditing all sequestered firms and properties. It will be recalled that the dissolution of PCGG has become an hot issue in Congress where some congressmen had spearheaded the move.

Meanwhile, the current audit of sequestered properties is intended to uncover alleged anomalies and irregularities. [end recording]

In related developments, President Aquino today ordered PCGG Commissioner Jose Laureta and her brother-in-law Ricardo Lopa to inform the public of their side on reports on newly uncovered anomalies connected with the PCGG. Sel Baesa again for the report.

[Begin Sel Baesa recording] The anomalies allegedly concern the management of 36 firms by local businessmen headed by Lopa without authorization from the PCGG. Lopa's participation was exposed following a government audit of sequestered companies and properties previously owned by Marcos eronies. One of Lopa's associates, Leonardo Gamboa, revealed that Lopa receives the largest equity shares from transactions of these sequestered firms.

President Aquino reiterated that she will not allow her relatives to receive special favors under her administration.

As of broadcast time, Lopa is expected to go to Malacanang and explain his side of the accusations to the president. [end recording]

Thailand

More on Sitthi, Nguyen Co Thach Meeting
BK0508103488 Bangkok Voice of Free Asia in Thai
1030 GMT 4 Aug 88

[Text] This morning, Vietnamese Foreign Minister Nguyen Co Thach paid a courtesy call on his Thai counterpart, Air Chief Marshal Sitthi Sawetsila, during his stopover in Bangkok after attending an informal meeting in Bogor, Indonesia, on the Cambodian problem. Sarot Chawanawirat, director general of the Information Department of the Foreign Ministry, briefed the press on the result of their consultations as follows:

[Begin Sarot recording] Vietnamese Foreign Minister Nguyen Co Thach paid a courtesy call on his Thai counterpart, Air Chief Marshal Sitthi Sawetsila, this morning. Nguyen Co Thach informed the Thai minister that the main purpose of his visit was to congratulate Sitthi on his success in the general election and on being appointed to retain the foreign ministerial portfolio. Nguyen Co Thach said he made this stopover, en route to spending a holiday in Poland, to express congratulations in person to the Thai minister. They exchanged views on the Jakarta informal meeting, and both believed that the meeting at least has psychological significance because it was the first time that the concerned parties were brought together to discuss ways to solve the Cambodian problems through political means.

Both sides agreed that the recently concluded meeting did not tackle the essential points. However it is expected that the essential points of the problem will be discussed by the working groups in the upcoming meetings. The important thing is that Nguyen Co Thach disclosed to Sitthi that whatever is unacceptable to Thailand will be unacceptable as a solution to the Cambodian conflict. Sitthi said Thailand wants the settlement of the problem to be made as early as possible, and the SRV foreign minister responded that he also has the same wish. Nguyen Co Thach confirmed that Vietnam will withdraw all of its troops by the end of 1989 or during the first 3 months of 1990 at the latest. Sitthi reminded that the best course for Vietnam to solve the problem is for Vietnam to listen to views or recommendations of the big countries such as the United States, the Soviet Union, and China. The SRV foreign minister said he wants the problem to be solved as early as possible, but in reality it is like a car moving on the road; it may stop or turn over if there is any obstacle in the way or if it moves too fast.

Turning to the refugee problem, Sitthi asked if it is true that, according to information received from Geneva, Vietnam is ready to receive the screened out Vietnamese refugees back to their old country. Nguyen Co Thach said Vietnam has the intention to do so, but he also noted that the SRV would be able to receive only those

who really want to return and would be unable to force those who do not want to. Sitthi responded that if Vietnam could not force these people, no one could. [end recording]

Sarot told reporters that Sitthi and Nguyen Co Thach will meet periodically in the future to discuss the details of the refugee problem and repatriation of Vietnamese refugees. The SRV foreign minister said he will stopover in Bangkok again around 25 August.

Sarot quoted Nguen Co Thach as saying that in order to solve the Cambodian problem, the opinions of the most concerned countries [preceding three words rendered in English] must be taken into consideration. Nguen Co Thach elaborated that the most concerned countries are Thailand, Vietnam, and Laos because they all border Cambodia. Sitthi reminded Vietnam that all parties must help to try to reach a settlement as early as possible. He said the four Cambodian factions should make more reconciliations, and Vietnam should do something to make the Heng Samrin regime come up with a more acceptable stand. He also said Thailand regards Cambodia's desires as most important. In the end, the Vietnamese minister said: We have to agree on Cambodia being an independent, free, nonaligned, and neutral country. Only then can the concerns or interests ["concerns" and "interests" rendered in English] of the three neighboring countries—Thailand, Laos, and Vietnam—be taken into consideration as to which are acceptable and which are not.

Nguyen Co Thach on 'Boat People'

BK0508004988 Bangkok BANGKOK POST in English
5 Aug 88 p 6

[Text] Vietnamese Foreign Minister Nguyen Co Thach said yesterday that Vietnam would take back all boat people who wish to return home.

"We will take back all the refugees who have a desire to be back home," Mr Thach told reporters after talks with Foreign Minister Sitthi Sawetsila.

He made a courtesy call on his Thai counterpart yesterday morning to congratulate ACM [Air Chief Marshal] Sitthi on his election success.

Mr Thach was making a stopover in Bangkok en route to a holiday in Poland.

"We think we can have negotiations (on voluntary repatriation) as soon as possible, and both sides have an interest in negotiations at appropriate levels," he said.

Mr Thach said Vietnam also wants talks on repatriation with other countries burdened by increasing numbers of boat people.

Foreign Ministry spokesman Sarot Chawanawirat said both ministers agreed in principle to meet periodically to discuss repatriation of refugees.

"Thailand is ready to meet (with Vietnam) to discuss the problem," he said.

Mr Sarot said Mr Thach and ACM Sitthi also exchanged views on the recently-concluded Jakarta informal meeting of rival Khmer factions.

The ministers agreed that the meeting was "psychologically important" for all parties in seeking a political settlement for the Kampuchean conflict, he said.

He said ACM Sitthi and Mr Thach also agreed that although no major accord was reached at the meeting, the decision for a working group to be set up is a "significant step" towards resolving the conflict in the future.

Mr Sarot quoted Mr Thach as saying that any measure to solve the Kampuchean problem "would not be regarded as a practical step if it was not accepted by ACM Sitthi".

ACM Sitthi, the spokesman said, replied that Thailand wanted to see an early solution to the Kampuchean conflict, and any settlement formula should be worked out with the endorsement of the US, the Soviet Union, and China.

Iran To Buy 60,000 Tons of Rice; Talks Continue

BK0508005188 Bangkok BANGKOK POST in English
5 Aug 88 p 13

[Text] Iran agreed early this week to buy 60,000 tons of second class 100 percent grade white rice from two Thai exporters under "Iranian terms," a rice trading source announced yesterday.

The source said Teheran would buy 30,000 tons each from Capital Rice Co and Hong Yiah Seng Co for US\$290 a ton (FOB) [free on board].

The source said the two exporters would be required to place a 5 percent unconditional bond as part of the Iranian terms, and begin shipments from next month through to December.

The source said Teheran was in the meantime holding talks with several other Thai exporters in order to meet its demand expected to range between 150,000-200,000 tons.

Iran, which was formerly a major Thai rice importer, bought only 56,000 tons from January-June this year.

The Indian Government has also been reported as despatching officials here to negotiate the purchase of another 200,000 tons of 25 percent white rice. India has already bought 500,000 tons this year.

The additional purchase is expected to offset this year's local production shortfall due to drought, the source said.

Also, a Bangladeshi mission is currently in town talking to rice exporters about purchasing 100,000-200,000 tons of parboiled rice, he said.

Chatchai Views Foreign, Domestic Policy Plans
BK0508111188 Bangkok BANGKOK POST in English
5 Aug 88 pp 1, 3

[Excerpts] Chat Thai Party leader Maj-Gen Chatchai Chunhawan, appointed last night by His Majesty the King as Prime Minister—the country's first elected Premier in 12 years—announced yesterday he would consider revamping the National Economic and Social Development Board (NESDB).

Prime Minister Chatchai said he is considering restricting the NESDB's role to planning only.

He made the comment after receiving a Royal Command for his appointment at his Soi Ratchakru residence. [passage omitted]

The new Premier, dressed in full dress uniform, received the appointment at 18:28 p.m. in a short ceremony with all Chat Thai caretaker ministers present.

The prime minister later told reporters that overhauling the NESDB would be aimed at "enhancing the flexibility in the performance" of the agency.

"We may have to review the whole role of the NESDB," the Premier said when asked to comment on recent criticism that public projects have been held up because of delays in the agency's screening process.

"By its role, the NESDB should concentrate its work only on planning. It cannot withhold projects," Maj-Gen Chatchai said.

Under former Prime Minister Prem Tinsulanon, the NESDB, headed by secretary-general Sano Unakun, was charged with making recommendations on the economic, technical, and financial feasibility of major Government projects.

The NESDB's role has been to suggest to the Government various options and recommend how projects would fit into the country's long-term economic planning.

Recommendations by the agency, attached to the Prime Minister's Office, carried considerable weight under Gen Prem, even though its role is primarily advisory.

Secretary-general Sano often sat in on Cabinet meetings to hear project proposals from the ministries, and was asked by Gen Prem to offer opinions.

Maj-Gen Chatchai, 69, the first Prime Minister since 1976 to have come from elections, pledged to perform his new duties to the best of his ability.

"We haven't had an elected Prime Minister for 12 years. I think we are heading down a more democratic road," Maj-Gen Chatchai said.

The Premier said formation of the Cabinet would be completed within the next few days, with "only a few things to be ironed out".

He said he had confidence in the stability of the new Government.

The major policies of the Government would stress economic development, particularly improving living standards for rural poor and increasing the minimum wage for labourers, he said.

Maj-Gen Chatchai said the new Government would carry on with the economic policies of the last administration, making adjustments to enhance flexibility. However, he said the Government would move "cautiously".

"The country has to walk before it can run," Maj-Gen Chatchai said.

He said he would set up a working group to tackle outstanding labour troubles.

On foreign affairs, the Premier said Vietnam, Laos, and Kampuchea "should be the country's economic markets and not battlefields".

He said the Kampuchean problem must be solved quickly, and added that there have been "indications" an accord may be at hand in the near future.

On the military, Maj-Gen Chatchai noted that Army commander-in-chief Gen Chawalit Yongchaicig promised to keep the Army out of politics and to support the elected government.

The Prime Minister said he would back modernisation of the Armed Forces and increased weapons procurement.

The military, he said, has become much more democratic, "as can be seen by its strict neutrality in the last elections".

He confirmed that the Muan Chon Party of Pol Capt Chaloeam Yubamrung would be a partner in his coalition government.

Maj-Gen Chatchai also said former Premier Gen Prem Tinsulanon would serve as an adviser to the new Government.

Asked how he would conduct relations with the mass media, Maj-Gen Chatchai leaned towards reporters and whispered, "very closely."

He said he would hold at least one press conference a month, "and more if necessary". He said the state media would be given more freedom and the Opposition would not be barred from exposure.

"The Opposition will also be able to get access to official media because we hold that Thailand is a democratic country. They will not be banned," Maj-Gen Chatchai said.

He said Gen Prem would receive British Prime Minister Margaret Thatcher tomorrow as caretaker Prime Minister, and announcement of the new Cabinet would be postponed until after Mrs Thatcher leaves on Monday to avoid diplomatic confusion. [passage omitted]

Tasks of Chatchai, Others Assessed

BK0508003588 Bangkok BANGKOK POST in English
5 Aug 88 p 4

[Editorial: "A 'Make or Break' Test for Democracy"]

[Text] Thai democracy took a crucial and historic, yet uncertain, step forward last night when Chat Thai Party leader Maj-Gen Chatchai Chunhawan was appointed prime minister, the country's first elected Member of Parliament to assume the post since 1976.

Prime Minister Chatchai and his soon-to-be announced Cabinet is now faced with the responsibility of leading the country forward economically, socially, and politically after eight years and five months of stability. That this will be no easy task is something of an understatement.

Enormous and continuing efforts will have to be made to restore and maintain public confidence in Parliament as an institution of stability. Too many of us retain painful memories of the events that took place 12 years ago during the short-lived administration of M.R. Seni Pramoet which led to the suspension of truly representative democracy. But times have changed and we have returned with a government being formed by the MP's themselves, and with an elected MP at its head.

How this government and Parliament fares depends, first and foremost, on each and every government MP and Cabinet minister. They must work to show the people that they are capable of the task of governing, a task that involves self-sacrifice for the benefit of the whole and not the few. The Opposition too have a crucial task—that of monitoring the performance of government with reason, and not just with the sole destructive purpose of toppling the administration.

The public also has a role and duty to perform. Apart from becoming more involved in the process of democracy—participating in elections—the public should also be tolerant by giving the new government a chance while at the same time remaining ever vigilant with constructive criticism in areas where it is needed.

Having an elected MP as prime minister does not mean we have obtained that long-sought for goal of democracy. If we believe that this is all that is needed, then Thai democracy is already doomed. We have taken just a small but so very important step towards achieving this goal. So much more needs to be done, such as teaching the majority of the people the value of their vote and building up political parties that are more in tune with the needs of the people rather than their own self-interest.

And as we look forward, we must not forget the past and the vital role played by outgoing Prime Minister Prem Tinsulanon. Despite his faults and the criticisms lodged against him, substantial credit must be given to this man who has survived two coup d'etat attempts and whose policies have blended in with changing global circumstances to bring the country forward economically to where it is today, positioned to capitalise on brighter prospects for the future.

Indeed history will be the judge of Gen Prem's achievements and contributions to this country and prove whether he was indeed the "man for all seasons" and "statesman" as he is now being widely called. We the people, Gen Prem and his government have been responsible for events of the past, as we the people, Maj-Gen Chatchai and his new government are now responsible for the future.

Vietnam

Army Paper Criticizes U.S. 'Hostile' Acts

BK0508110988 Hanoi International Service
in English 1000 GMT 5 Aug 88

[Text] The Hanoi Army paper QUAN DOI NHAN DAN on Friday ran a commentary criticizing recent U.S. hostile action against Vietnam. The paper said that in recent days, the U.S. action, prompted by the lack of good will, has obstructed the settlement of postwar humanitarian issue of the U.S. side.

On July 28, Assistant Secretary of State Gaston Sigur said before a group of U.S. congressmen that the U.S. Government was against the establishment of a low-level diplomatic bureau in Hanoi and Washington as it would not help improve the U.S.-Vietnam cooperation in humanitarian issue, and that the best way for the United States was to continue its present policy, that is to isolate Vietnam. Later, Radio Australia on July 30 said that the Vietnam Veteran Committee of the United States intended to float Vietnamese bank notes down the Mekong River with promise to give a reward of \$2.4 million to anyone who has taken an American prisoner of war to freedom.

Public opinion in the United States and the world has acknowledged and welcomed Vietnam's act of good will in solving the postwar humanitarian issue. We have searched for and handed over to the U.S. side many sets

of American remains and agreed to let the U.S. side participate in joint search for Americans missing in action and the excavation of crash sites.

We also held talks with the U.S. side on the resettlement in the United States of released re-education camp inmates and are ready for this. Regrettably, the U.S. side has not responded to Vietnam's proposal of good will. People wonder why the United States takes such a hostile action against Vietnam at a time when Vietnam is making great efforts and expressing her good will in solving the humanitarian issue of the United States. It is clear that the ultrarightist forces in the United States are resorting to many means, including nongovernment activities to incite anti-Vietnam feeling, to block the growing public appeal for normalizing relations between Vietnam and the United States.

With the humanitarian standpoint, we want to close the book on missing in action soon to reduce and put an end to the suffering of many American families, whose members or relatives were killed or reported missing in the Vietnam war, but good will must come from both sides. The settlement of postwar humanitarian issue is becoming difficult due entirely to the U.S. side. We urge the U.S. side to stop all hostile acts against Vietnam and, together with Vietnam, to overcome difficulty and remove obstacles, continue to solve the humanitarian issue. This would create a favorable condition for normalizing relations between the two countries.

U.S. Jet Wreckage Dug Up in Hau Giang Province
BK0508094488 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Jul 88 p 1

[Text] My Tu District, Hau Giang Province, recently succeeded in digging up the wreckage of a U.S. F-105 jet plane which was shot down by guerillas of My Phuoc village, My Tu District, and crashed at Xeo Gua, My Hung village in May 1966. The wreckage will be moved to the district's museum.

NHAN DAN Cited on U.S. Support to Contras
BK0408095288 Hanoi VNA in English 0710 GMT 4 Aug 88

[Text] Hanoi VNA August 4—The national daily NHAN DAN today denounces the continued U.S. backing for the contras against Nicaragua as a violation of the Central America peace agreement.

After condemning the new anti-Nicaragua campaign whipped up by the U.S. just before the heads of state of Nicaragua, Guatemala, Costa Rica, El Salvador, and Honduras meet again to discuss measures for stepping up the implementation of the Central America peace agreement signed on August 7, 1987, the paper goes on:

"So doing, the U.S is pouring more oil on the flame and rendering the situation in the region tenser. The new anti-Nicaragua campaign has exposed U.S Secretary of State G. Shultz's hypocrisy when he said he backed the peace plan for Central America during his recent trip to Latin American countries."

"The White House's erroneous policy is facing opposition right of the Congress which has turned down several proposals for aid to the contras," the paper points out.

"If the United States really wants to contribute to peace in Central America, it should accept the Central American peace agreement signed by the countries in the region, negotiate with the Republic of Nicaragua, and stop backing the contras," NHAN DAN concludes.

Nguyen Co Thach Postpones Visit to Japan
BK0508084188 Hong Kong AFP in English 0746 GMT 5 Aug 88

[Text] Hanoi, Aug 5 (AFP)—A visit to Japan by Vietnamese Foreign Minister Nguyen Co Thach would not be convenient because of Tokyo's stance on the Cambodian problem, a Vietnamese Foreign Ministry spokesman said.

Spokeswoman Ho The Lan said at a press Conference Thursday that such a visit would not be "opportune" because of Tokyo's "negative policy" on Cambodia.

Mrs. Lan recalled that Mr. Thach, currently vacationing in Poland, "has accepted the principle" of a visit to Japan at the invitation of the Japanese Government.

"But now the moment is not yet opportune because Japan persists in its negative policy with regard to the Cambodian problem and with regard to Vietnam," she said.

The invitation was conveyed through Japanese Foreign Minister Sosuke Uno, at the request of Mr. Thach himself, Japanese sources here said.

The Vietnamese foreign minister had said he wanted to stop in Japan in June on his way home from New York where he attended a United Nations conference on disarmament.

But he later postponed the visit, saying his schedule was "too tight."

"Japan has joined one camp, and this attitude is not worthy of a great Asian country, in effect burying the ... [ellipses as received] doctrine by which Japan would serve as a bridge between the Indochinese countries" and the Association of Southeast Asian Nations (ASEAN), Mrs. Lan said.

ASEAN groups Thailand, Malaysia, Singapore, Brunei, Indonesia and the Philippines.'

Japan has recognized the anti-Vietnamese Cambodian resistance coalition government led until recently by Prince Norodom Sihanouk.

Prince Sihanouk is to pay an official visit to Japan next week.

Japan is Vietnam's leading noncommunist trading partner.

Spokesman Meets Press To Discuss Cambodia
BK0408115188 Hanoi Domestic Service in Vietnamese
1100 GMT 4 Aug 88

[Text] This afternoon, 4 August 1988, our Foreign Ministry's Information and Press Department held a regular news conference where our Foreign Ministry spokesman answered questions posed by domestic and foreign newsmen. Following are some questions by international newsmen and answers by our Foreign Ministry spokesman:

Correspondents of the Japanese paper AKAHATA and the Chinese News Agency asked for an evaluation of the five-point peace plan advanced on 27 July in Jakarta, a comparison of this plan with the seven-point proposal of Chairman Hun Sen, and an introduction to the similarities and differences between these two proposals. The AKAHATA correspondent asked about the points agreed upon by the parties concerned and the divergencies of views at the Jakarta cocktail party.

Answer: There are similarities in the stands on the basic problems for a political solution to the Cambodian issue. First, on the international aspect, the Cambodian parties and the countries concerned at the Jakarta cocktail party, except the Khmer Rouge, unanimously agreed on the two main problems of the solution—that is, the withdrawal of Vietnamese troops from Cambodia and the prevention of the return of the genocidal Pol Pot clique. A schedule for the withdrawal of Vietnamese troops must be linked to a schedule for the termination of military aid to the Khmer opposition parties and the termination of foreign intervention, and this must be done under international supervision. The two sides will continue to discuss the specific measures for carrying out the above principle.

The PRK put forth a specific schedule for the withdrawal of Vietnamese troops by late 1989 and by the end of the 1st quarter of 1990 at the latest, but the other side failed to come up with a specific schedule for the termination of aid to the Khmer opposition forces and the termination of foreign intervention in Cambodia.

Second, on the internal aspect, the PRK holds that Cambodia's internal affairs must be solved by the Cambodian people themselves on the basis of national reconciliation, the elimination of the crime-studded Pol Pot ringleaders, and the nonacceptance of the armed forces of the Khmer Rouge maintaining the status quo in Cambodia.

The five-point plan of Prince Sihanouk calls for the maintenance of the current administrative apparatus of the PRK with the understanding that this administration will later be gradually transformed into a multiparty coalition administration. At Jakarta, Prince Sihanouk agreed on Chairman Hun Sen's proposal for the setting up of a quadripartite National Reconciliation Council headed by Prince Sihanouk. Other Cambodian parties, except the Khmer Rouge, approved this proposal.

Prince Sihanouk and Chairman Hun Sen agreed to meet for the third round of talks in Paris in October 1988.

Furthermore, the PRK's seven-point proposal and Prince Sihanouk's five-point proposal are similar in calling for the establishment of an international commission of supervision and the convening of an international conference to guarantee the agreements reached.

Correspondents of AKAHATA and NDN [expansion unknown] asked about the prospect for a peaceful solution to the Cambodian issue and to peace and stability in Southeast Asia after the Jakarta informal meeting. The NDN correspondent asked what Vietnam would do to promote a political solution to the Cambodian issue.

Answer: The results of the Jakarta informal meeting have brought about hope for a peaceful solution to the Cambodian issue and the issue of peace and stability in Southeast Asia. However, the fact that it took a year after the Ho Chi Minh City agreement to organize the Jakarta informal meeting shows that it is no easy process to solve the Cambodian issue and that of peace and stability in Southeast Asia. It can be said that with the results of the Jakarta informal meeting, we have gone half-way in the search for a political solution to the Cambodian issue. Nevertheless, difficulties and hardship lie ahead in the remaining half. We hold that nobody wants to return to the starting point. Vietnam is prepared, together with all concerned countries, to try its best to cover the remaining distance.

The AKAHATA correspondent asked about Vietnam's attitude and position regarding the conference of the five nonaligned countries scheduled to be held on 10 August 1988 and asked for a clarification about the relationship between the Jakarta informal meeting and the third round of talks between Chairman Hun Sen and Prince Sihanouk.

Answer: Officials from five nonaligned countries—Zimbabwe, India, Cuba, Indonesia, and Vietnam—met from 15 to 16 July 1988 in New Delhi. The meeting decided to send special envoys to monitor the Jakarta informal meeting and to hold a conference of experts in mid-August 1988 at Harara, Zimbabwe, at which Vietnam and Indonesia will report to the chairmen of the Nonaligned Movement about the results achieved at the Jakarta informal meeting. The conference will also prepare the groundwork for a ministerial-level conference on the Cambodian issue. Vietnam welcomes the contributions made by the Nonaligned Movement to promote a solution to the Cambodian issue and

highly values the stand and role played the Nonaligned Movement regarding the Cambodian and Southeast Asian issues. It is hoped that at that conference, the Nonaligned Movement will bring into play its role in the new situation following the results reached at the Jakarta informal meeting.

As you, comrades and friends, already know, Prince Sihanouk and Chairman Hun Sen agreed at Jakarta to meet each other in Paris in October 1988. All of the coming meetings in Jakarta as well as in Harare and Paris are aimed at reaching a political solution to the Cambodian issue. Therefore, these forums supplement instead of ruling out one another.

VNA Report on News Conference

BK0508031188 Hanoi VNA in English 1516 GMT
4 Aug 88

[All quotation marks as received]

[Text] Hanoi VNA August 4—Mrs Ho The Lan, spokeswoman of the Foreign Ministry, held a regular press conference here this afternoon.

Asked to compare Norodom Sihanouk's five-point peace plan and Chairman Hun Sen's seven-point position at the Jakarta informal meeting [JIM], Mrs Ho The Lan said:

"There were areas of agreement on the fundamental principles of a political solution to the Kampuchea question. On the international aspect of the matter, the Kampuchean parties and all countries concerned, except the Khmer Rouge, reached unanimity of views on the two key issues for a solution: The withdrawal of Vietnamese troops from Kampuchea and prevention of the Pol Pot genocidal regime's return. The timetable for Vietnamese troop withdrawal must be carried out in conjunction with the cessation of military aid to the Khmer opposition factions and of outside interference under international supervision. The two sides will continue to discuss concrete measures to apply this principle.

The People's Republic of Kampuchea set the end of 1989, or the first quarter of 1990 at the latest, as the deadline for the Vietnamese troop pullout. But the other side has set no deadline yet for the cessation of aid to the Khmer opposition factions and of outside intervention in Kampuchea.

On the internal aspect of the question, the PRK advocates the settlement of the internal affairs of Kampuchea by the Kampuchean people themselves on the basis of national reconciliation, exclusion of the criminal ringleaders of the Pol Pot clique and of the Khmer Rouge armed forces, and maintenance of the present status quo in Kampuchea. Prince Sihanouk's five-point plan calls for maintenance of the present administrative apparatus of the People's Republic of Kampuchea with an understanding that this administration will be gradually transformed into a multilateral coalition administration later on.

In Jakarta, Prince Sihanouk agreed to Chairman Hun Sen's proposal for the establishment of a quadruple national reconciliation council with the prince as chairman, and this was also agreed upon by the Kampuchean parties, with the exception of the Khmer Rouge. Prince Sihanouk and Chairman Hun Sen also agreed to hold their third meeting in Paris in October this year.

In addition, the PRK's seven-point position and Prince Sihanouk's five-point plan were unanimous on the setting up of an international supervision commission and the convocation of an international conference to guarantee the implementation of what had been agreed upon.

Asked by AKAHATA and NDN [expansion unknown] correspondents about the prospect for a peaceful solution to the Kampuchea issue as well as peace and stability in Southeast Asia after JIM and about what Vietnam would do to accelerate the process of finding a political solution to the Kampuchea issue, Mrs Ho The Lan said:

The JIM's outcomes have brought about a hope for a peaceful solution to the Kampuchea issue and the question of peace and stability in Southeast Asia. But, that the JIM was held one year after the agreement reached in Ho Chi Minh City shows that the solving of the Kampuchea issue and the question of peace and stability in Southeast Asia is not an easy process. It can be said that with the JIM's results, the process of finding out a political solution to the Kampuchea issue was half through, but the other half is very difficult. We think that no one wishes to return to the starting point. Vietnam is ready, together with countries concerned, to do its utmost to get through the remaining path."

On Vietnam's stance on the conference of five nonaligned countries scheduled for August 10, 1988 and on the relations between the JIM and the third meeting between Hun Sen and Prince Sihanouk, Mrs Ho The Lan said:

"Official of the five nonaligned countries [words indistinct] 15-16, 1988. The meeting decided to send its special envoy to cover the JIM and to hold a meeting of specialists in Harare (Zimbabwe) in mid-August 1988.

At this meeting, Vietnam and Indonesia will report to the chairman of the Nonaligned Movement on the JIM's results. The meeting will also [words indistinct] on the Kampuchea issue. Vietnam welcomes the Nonaligned Movement's contributions to solving the Kampuchea issue and highly appreciates its role and stance on the Kampuchea issue and on Southeast Asia. It is hopeful that at this meeting, the Nonaligned Movement will bring into full [words indistinct] following the the results obtained at the JIM.

It is known to all of you that in Jakarta, Prince Sihanouk and Hun Sen agreed to meet in Paris in October 1988. All the meetings, in Jakarta, Harare and Paris as well, are

aimed at resolving politically the Kampuchea issue, so all these forums will not eliminate one another, but on the contrary, complement one another."

VNA Cites Official on PRC Naval Exercise
BK0408155488 Hanoi VNA in English 1528 GMT
4 Aug 88

[Text] Hanoi VNA August 4—Tran Huu Nghia, deputy head of the China Department of the Vietnamese Ministry for Foreign Affairs, received here today Ou Yi, counsellor of the Chinese Embassy in Vietnam, drawing his attention to the Chinese naval force's exercise in the area of Vietnam's archipelago of Truong Sa.

The Vietnamese diplomat reaffirmed Vietnam's position regarding the Hoang Sa [Paracel] and Truong Sa [Spratly] Archipelagoes, and reiterated Vietnam's advocacy for the settlement of the disputes between Vietnam and China through negotiations, and pending the negotiations the two sides will refrain from doing anything to aggravate the situation. The Chinese side's recent move does not conform to the advocacy for solving through negotiations the disputes between the two countries.

Games Noted by Foreign Press

BK0508060788 Hanoi Domestic Service in Vietnamese
0500 GMT 5 Aug 88

[Text] The Chinese paper RENMIN RIBAO on 3 August announced that the Chinese Navy will conduct military exercises around the Truong Sa [Spratly] Archipelago, reportedly to increase its capability to cope with unexpected developments and regional conflicts. On the same day, the newspaper CHINA DAILY also quoted a ranking officer of the Chinese Navy command as saying that warships and aircraft defending the Truong Sa Archipelago had taken part in a joint military exercise involving a mock attack against and defense of various islands and coral reefs. A Hong Kong-based daily has reported that last month a Chinese nuclear-powered submarine sailed into the sea area of the Truong Sa Archipelago. Picking up this report, AFP stressed: Asian countries have expressed concern over China's intentions.

AAPSO Supports Stand on Relations With PRC
BK0508094888 Hanoi VNA in English 0715 GMT
5 Aug 88

[Text] Hanoi VNA August 5—"The Afro-Asian People's Solidarity Organization (AAPSO) supports the Socialist Republic of Vietnam's efforts to normalize its relations with the People's Republic of China (PRC) and its latest proposal for negotiations with the PRC to settle differences over the Truong Sa [Paracel] and Hoang Sa [Spratly] Archipelagoes and the border issue."

This was stated in the AAPSO Presidium's report on Asia-Pacific security at its enlarged conference held in Vientiane, Laos, on August 3 and 4.

The report pointed out :

"AAPSO holds that the national reconciliation policy of the People's Republic of Kampuchea (PRK), the meetings between Chairman Hun Sen and Prince Norodom Sihanouk, the SRV and the PRK's decision to withdraw Vietnamese Army volunteers and the command of the Vietnamese volunteer force from Kampuchea this year, especially the PRK's seven-point position and the positive outcomes of the Jakarta Informal Meeting are important developments towards a just political solution to the Kampuchea issue, the cessation of outside intervention and the elimination forever of the danger of Pol Pot genocidal regime's return."

The report also voiced support for Laos's efforts and goodwill in peacefully settling the Lao-Thai border dispute, and in normalizing its relations with China. It highly valued Laos's recent seven-point proposal for building a Southeast Asia of peace, friendship and cooperation as an important contribution to the Asian-Pacific nations' common struggle for peace, national independence, democracy and social progress.

Boat People Discussed With Hong Kong Delegation
BK0508102888 Hanoi International Service
in English 1000 GMT 5 Aug 88

[Text] A delegation of the Government of the United Kingdom and the Hong Kong Administration led by Richard Dick Clift, assistant to the deputy foreign secretary and political adviser to the Hong Kong Administration has paid a 2-day visit to Vietnam at the invitation of the Vietnamese Foreign Ministry.

During its stay in Vietnam, the delegation had working sessions with some officials of the Vietnamese Foreign Ministry. The two sides considered possible solution to problem of the Vietnamese boat people to Hong Kong. They both agreed that this problem stems from very complex historical and social reasons and it is necessary to take concrete and effective measures to stop this situation. They pointed out that any solution must put into account the international law, the law, and the real situation of this country [as heard]. They discussed conditions and regulations for the repatriation on the humanitarian basis. They also agreed that the two sides should study this problem quickly for another meeting to reach concrete decision.

33,000 Workers Sent to East Bloc January-June
BK0408103288 Hanoi VNA in English 0708 GMT
4 Aug 88

[Text] Hanoi VNA August 4—In furtherance of labor cooperation plan with socialist countries, the Department for International Labor Cooperation in the first half of this year sent almost 33,000 persons to work in the Soviet Union, the German Democratic Republic, Bulgaria, and Czechoslovakia.

The department is proceeding with its plan to dispatch 38,000 more persons to work in the four countries in the second half of this year, and to receive 4,500 persons about to return here at the end of their working contract abroad.

Ministry Reports Foreign Interest in Investment
BK0508034388 Hanoi VNA in English 1510 GMT
4 Aug 88

[Text] Hanoi VNA August 4—Since early this year, nearly 1,000 foreign delegations have come here to explore possibilities of cooperation and investment in Vietnam, according to a report by the Ministry of External Economic Relations.

These delegations have shown much interest in the fields of clothes-making, electronics, fishery and sea-product processing, tourism, banking, and exploitation of oil and mineral ores.

To date about 30 major investment programmes have been envisaged.

Vo Chi Cong Commends Anti-Illiteracy Workers
BK0408101288 Hanoi Domestic Service in Vietnamese
2300 GMT 2 Aug 88

[Text] On the occasion of the 50th founding anniversary of the National Language Popularization Association [NLPA]—1938-88—Chairman of the Council of State Vo Chi Cong has sent a letter to cadres, teachers, and members of the association. The letter reads in full as follows:

Dear comrades cadres, teachers, and members of the NLPA:

Fifty years ago, when our country was under the rule of the colonialists and feudalists, the NLPA—an overt organization of the party—was set up under the party's clear-sighted leadership with the aim of drawing the voluntary participation of all social strata and all individuals in the fight against illiteracy for the sake of humanitarianism and social progress. On the occasion of the association's 50th founding anniversary, I cordially convey my warmest greetings to the comrades cadres of the association who have valiantly taken the vanguard role in the movement against illiteracy launched by the party.

During the 7 years of its existence from 1938 to the success of the August Revolution, the NLPA had to operate under extremely difficult conditions, but its 5,000 cadres and teachers defied all the threats and terrorist attempts by the enemy, put up an ingenious struggle, and held classes by every means to help 100,000

compatriots become literate. Through this movement, thousands of cadres, teachers, and students joined the revolution, and many of them later became hard-core, staunch cadres of the party and state, including the association founders who are still actively participating in the cultural, political, and social life of the nation in spite of their 70-80 plus years of age.

On behalf of the party Central Committee, the Council of State, and the Council of Ministers, I would like to heartily commend the great meritorious services of the NLPA and its cadres, members, and teachers for having contributing to the realization of these glorious achievements in our country's history of fighting against illiteracy.

Dear comrades, bringing into full play the fine tradition and valuable experience of the NLPA, the Mass Education Service—which is now the Complementary Education Service—has taken up the task of liquidating illiteracy and enhancing the people's knowledge, and illiteracy has been basically eliminated in our country. However, due to inadequate necessary conditions for the popularization of primary education at present, a number of children are unable to go to school, thus steadily increasing the number of illiterates. This has caused great worry and concern for every one of us.

In implementation of the resolution of the sixth party congress and in response to the plan of the UN Education, Science, and Culture Organization—UNESCO—to eliminate illiteracy by the year 2000, I, on the occasion of the 50th founding anniversary of the NLPA and the 43d founding anniversary of the Mass Education Service—1945-88—call on party and administrative echelons at all levels and mass organizations to provide more attentive leadership over and create more conditions for the fight against illiteracy and the completion of primary education for children in the interest of the nation's future and prosperity.

Cadres, teachers, and people of all strata should follow the examples of sacrifices, devotion, and defiance of all difficulties and hardship set in the past by NLPA members and spend more time and efforts for the movement against illiteracy. Families which have illiterate members and whose children are not yet going to school should actively encourage and create the conditions for every family member to go to school and quickly become literate.

While our country's current socioeconomic situation is fraught with difficulties, this is indeed a very heavy task. Nevertheless, with a sense of responsibility for the future and prosperity of the Vietnamese nation, we must concentrate all our efforts on its fulfillment.

My most cordial and highest regards, comrades.

Ministers Council Issues Directive on Quarries
BK0408101088 Hanoi Domestic Service in Vietnamese
2300 GMT 2 Aug 88

[Text] To step up the production of stone in Nam Bo to meet the demands of the region in 1988 and the subsequent years, the chairman of the Council of Ministers has issued a directive saying that not all provinces in Nam Bo have quarries. However, no matter where they are situated, all quarries are part of the nation's mineral resources that should be exclusively managed, protected, and put into exploitation and use by the state for the common benefits of the country.

All central-level sectors and provincial people's committees, which have been assigned by the state to manage and exploit quarries in Nam Bo, are responsible for the development of the production of stone under plans to satisfy the demands of the region.

Together with the people's committees of various provinces, the Ministry of Building and all sectors concerned have already discussed the assignment of specific tasks. Based on the number of quarries that are under exploitation and on the existing means, it is necessary to concentrate on intensive investment to expand the exploitation capacity, thus increasing the volume of stone production from 1.8 million cubic meters at present to 2.3 million cubic meters in 1990.

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MITI expects that "the investment environment will take a turn for the better when the agreement is concluded."

Ground Force To Get New Armored Vehicles
*OW0108141388 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 1 Aug 88 Morning Edition p 2—FOR
OFFICIAL USE ONLY*

[Excerpts] The Ground Self-Defense Force [GSDF] of the Defense Agency [DA] has firmed up its plan for introducing new armored vehicles in Fiscal 1989. The plan, which has been worked out by the Technical Research and Development Institute, will be included in the estimated budget request for Fiscal 1989. As the main features, the new vehicles will be equipped with machineguns and antitank guided weapons, and compared with old armored vehicles the "striking power will be greatly upgraded," (according to a DA source). Following the defense strategy of "attaching importance to the northern area," and coupled with the project to develop major next-generation tanks in the future, the plan to introduce the new armored vehicles aims at strengthening troop mobility in Hokkaido. [passage omitted]

The GSDF has included this plan as one of the "Big 5" projects for developing new domestically produced weapons, namely SSM-1 surface-to-surface guided missiles, model-87 mechanized anti-air machineguns, major next-generation tanks, and antitank guided weapons. The project for developing major next-generation tanks, which was started rather late, has been nearly completed now, and the deployment of other weapons has already started. With the request made for the budget to develop new armored vehicles, all the major equipment will be produced domestically. First, the weapons will be introduced for use in training, and then they will be deployed to the 7th Division (stationed in Chitose) in Hokkaido.

While closely watching the move of the Soviet troops in the Far East, where the USSR has been intensifying its military buildup, the DA has clearly indicated its position of "attaching importance to Hokkaido and tackling the situation on the front at an earlier time." The current plan to introduce new armored vehicles is part of this strategy. According to the DA source, when the troops arrive at the enemy line in old armored vehicles, the infantrymen will, in most cases, have to get down and then take combat position, but with the new armored combat vehicles, the infantrymen will be able to fight against the enemy from the vehicles while engaging in joint operation with tanks.

Poll Shows 'Realistic' Perception of Defense
*OW0408143788 Tokyo THE DAILY YOMIURI
in English 3 Aug 88 p 6—FOR OFFICIAL USE ONLY*

[YOMIURI SHIMBUN 2 August editorial: "Sound Defense View"]

[Text] A nationwide poll by THE YOMIURI SHIMBUN shows that three out of every four Japanese now think

the Japan-U.S. security treaty contributes to the peace and security of their country.

The 76 percent holding this view represents a fractional increase over the results of a poll in 1984.

The survey also shows the three nonnuclear principles are more strongly supported by the people. But the majority believes the nuclear arsenals of the United States and the Soviet Union are a threat to peace, although those who think the same arsenals are now contributing to prevention of war have increased.

This all indicates that the people have a sound and realistic perception of defense.

However, the poll produced some results which are worrying. Respondents who think the United States will defend Japan in an emergency represent 19 percent, down seven points from the survey in 1984, and those who are unsure represent 49 percent, an increase of 12 points.

Those who believe the United States will not defend Japan are 27 percent of the respondents.

Japan's defense policy is based on the security treaty. The defense capability of this country, which adheres to a purely defensive defense policy and the three nonnuclear principles, is limited to fending off small-scale attacks. It does not have the power to win a war.

To fight off an attack of greater dimensions, Japan depends on overall U.S. military strength, including its nuclear deterrent. Japan's defense policy rests on the assumption that in the event of an emergency which Japan cannot handle unaided, U.S. forces will come to Japan's assistance without fail.

If the situation arises where Japan cannot depend on help from U.S. forces, then the U.S. deterrent to defend the peace of Japan will become null and void. This should never be allowed to happen.

A poll jointly conducted by the Gallup Organization and THE YOMIURI SHIMBUN in October 1985 showed that 59 percent of Americans think their country should help Japan, if it is attacked, compared with only 22 percent who think there is no need of helping Japan.

Despite this, as many as 49 percent of the Japanese have doubts that the United States would help in an emergency. Why?

"Help" can be in various forms, depending on the type of emergency, ranging from sending the Seventh Fleet to Japanese waters to dispatching ground troops to the U.S. mainland and the use of nuclear weapons.

It is not clear what form of help the poll envisaged.

It is clear, however, that many Japanese doubt that the United States would really assist Japan because of the recent decline in the national strength of the United States. Also, influencing this view is Japan bashing in the U.S. Congress and improvement in U.S.-Soviet relations. It would seem that a similar view is becoming conspicuous among the peoples of Western Europe.

Since Japan-U.S. relations are the basis of Japan's defense policy, the most important thing is to promote mutual trust between the two countries.

White Paper Predicts Increase in Terrorism

OW2807193088 Tokyo THE JAPAN TIMES
in English 27 Jul 88 p 2—FOR OFFICIAL USE ONLY

[Text] The National Police Agency warned of stepped-up terrorist activities by Japanese extremists in its annual report, published Tuesday.

The police white paper for 1988, presented to the Cabinet, said there were notable increases in high-tech crime and crimes involving international professional criminals. It included a study of security problems for the first time since it began featuring specific police activities in 1974.

A major military organization that concerns the authorities is the Chukakuha's (middle core faction) of the People's Revolutionary Army comprising 200 to 300 men, it said. The report said members of the Japanese Red Army engage in terrorist-type operations throughout Japan.

The group acts along with the People's Front for the Liberation of Palestine (PFLP) and sympathy groups in Japan. Police are concerned that Red Army commandos might attempt to free their colleagues in custody in Japan, the report added.

it estimated the number of extremists in the country at 35,000. The number peaked at 53,500 in 1969 and then decreased gradually. It has leveled off since 1974.

Terrorist attacks decreased from 128 in 1978 to 11 in 1986. The figure increased to 89 in the 1986 when the Tokyo summit of major industrialized nations was held. However, it dropped again to 37 in 1987, the report said.

There were no terrorist attacks involving the use of crude bombs between 1980 and 1984. But those types of terrorist activities were renewed in 1985, the report said.

The attack on the dormitory of the Chigasaki Police Station in Kanagawa Prefecture was singled out by the report because a time bomb planted inside a car was used similar to the way car bombs are used in the Mideast and Northern Ireland, the report said.

The report said targets of extremists' attacks were the second-phase construction of the New Tokyo International Airport at Narita, the Kansai International Airport project, and the Imperial family.

In addition, the report said police investigated about 1.58 million criminal cases last year.

It cited increases in cases involving youths, such as shoplifting and drug cases. White-collar crimes, such as those involving overseas commodity futures tradings, also increased, the report said.

The report said such crimes were part of the reasons for social unrest.