Indochina Digest

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TRADE / INVESTMENT *

Vietnam to clear state debt

In order to avoid economic collapse, Vietnam has formed a commission to liquidate $1.1 billion in debt owed by state-owned firms, according to Huynh Buu Son, deputy managing director of the Saigon Bank for Industry and Trade. The commission is headed by Vo van Kiet, and expects to compile a list of loan portfolios by September, and then will establish a government fund to pay off the debt. Son did not elaborate on how the government would raise the funds for this purpose.

Son said paying off the debt will help Vietnam out of its recession and reestablish trust in the banking system. According to some bank officials, 60 percent of current loans are non-performing. The sources also say one-third of the 20,000 state-owned companies are insolvent and another third are having difficulties but can be saved.

HIT to develop container terminal in HCMC

Hong Kong International Terminals (HIT), a subsidiary of Hong Kong-based freight company Hutchinson Whampoa Group, will enter a joint venture to develop a terminal in Ho Chi Minh City. According to John Meredith, managing director of HIT, the venture has an operational target date of February 1992. Known as K2, the terminal will have a capacity of 50,000 TEU's (twenty-foot container units) and will have shore-based mobile cranes for cargo handling.

Vietnam updates

■ **Foreign firms look to Vietnam for oil** - The Broken Hill Pty Co. Ltd. of Australia and Taiwan's state-run Chinese Petroleum Corp. have turned to Vietnam as a potential source of oil due to declining reserves. Vietnam has issued permits to Australia's largest oil company allowing it to search for oil over a 15,710 square km area. The permits are in effect until November 1992.

■ **Oil test-burn** - In a move to diversify its sources of oil, the Tohoku Electric Power Co. Inc. of Japan plans to test-burn crude oil from Vietnam in its Hachinohe and Akita generator plants.

■ **Feasibility study** - Mitsui and Co. Ltd., a Japanese trading firm, is conducting a feasibility study to explore an oil field in Vietnam.

■ **Vehicle joint venture** - Sae Young International of South Korea and Saeilo Machinery Japan Inc. will join with the government to establish a vehicle manufacturing plant called Mekong Corp. The company will make vehicles for domestic and foreign use. The venture will have a total investment of $36 million of which 70 percent will be funded by the foreign partners.

Grant program helps impoverished

The Trickle Up Program (TUP), a New York-based non-profit organization which provides grants to help low-income people around the world start their own businesses, has funded 10 businesses in Vietnam and five in Laos. The projects funded by TUP have provided start-up capital for chicken and egg production, linen and clothing products, ceramic tile and paper lantern firms. The businesses were located by TUP volunteers who were working in Vietnam and Laos with other agencies. Members of CARE Australia and UNICEF found viable projects in Vietnam and UNDP workers located feasible projects in Laos.

Based on a learn-by-doing concept, TUP provides $100 grants to groups of people who have planned their own business, have local approval for the business, and who are willing to put in 1000 hours of labor in the first three months, according to Karen Miller, executive director of TUP. Miller said the recipients learn banking skills, are taught to complete a business plan and progress report and are required to reinvest at least 20 percent of the profits.

Thai-Cambodian bank joint venture

On 1 July a joint venture between Thailand's Siam Commercial Bank and the Cambodian National Bank opened the Cambodian Commercial Bank in Phnom Penh. Cambodian radio noted that the purpose of the project is to improve the Cambodian banking system and promote trade between Cambodia and Thailand.

VIETNAM *

Senator says US policy inconsistent

Senator Mitch McConnell (R-KY) said last week US policy in Asia is inconsistent and he will suggest changes regarding Vietnam. He did not elaborate on possible recommendations. "It is certainly not consistent to argue that engagement makes sense in China and disengagement makes sense in Vietnam," he said during a trip to Thailand. The two-term senator and member of the foreign relations committee said the US could affect change in Vietnam by increasing economic ties. "That's certainly the argument the (Bush) administration is making with MFN for China - that you have more leverage by being engaged than disengaging," McConnell said.

Canada to open diplomatic office

It was announced that Canada will open a diplomatic office in Hanoi to handle improving relations between the two countries. Marius Grinius will head the new office with the title of chargé d'affairs and will report to the Canadian ambassador to Thailand, who is concurrently ambassador to Vietnam. Canada is preparing aid programs in agriculture, infrastructure and education.

MIA officials visit Hawaii

As part of a continuing technical exchange program, a delegation from Vietnam's MIA office, led by Deputy Director Ngo Hoang, visited the US Joint Casualty Resolution Center in Honolulu from 23 to 27 June.

Congressional delegation discusses POW/MIA

Rep. Lane Evans (D-Ill.) led a delegation of veterans' groups to Vietnam to discuss POW/MIA issues with officials there. The delegation became the first to meet with newly-appointed Communist Party General Secretary Do Muoi, with whom the group had more than an hour of talks. While in Vietnam, the group explored possible roles for a private, non-governmental POW/MIA office which could assist the official US government office to be set up later this month.

Evans said the Vietnamese are eager for improved relations with the US and offered Americans "virtually unlimited latitude to go anywhere, anytime without any kind of advance notice" to investigate MIA live-sighting reports and crash sites.

COMECON's last throes

At a brief ceremony in Budapest on 28 June, ministers of the Soviet-bloc trade group COMECON signed an accord to terminate that group in 90 days. A proposal was put forth by Poland to set up another consultative group comprising the European members of COMECON. It has been reported that while the Soviet Union would like to include Vietnam, Cuba and Mongolia in such a body, the East Europeans are opposed. In Hanoi, a Vietnamese foreign ministry official proposed that the former COMECON ties be maintained, citing "important contributions to the economic development of member nations."

CAMBODIA *

Sihanouk's palace to be restored

Phnom Penh radio announced that the former Royal Palace in Phnom Penh is to be refurbished in preparation for the return of Prince Sihanouk to Cambodia. The Cambodian government has offered to allow Sihanouk to use the Palace while he is in Phnom Penh. France, which originally built the palace complex, will be paying for the restoration, according to Cambodian sources cited by UPI. Restoration work has been continuing for years with help from Polish, Indian and other organizations.

Khmer travels

■ **Hun Sen** travels to Beijing for the first time to attend the SNC meeting there from 15 to 17 July. Afterwards, he is scheduled to accompany Prince Sihanouk to Pyongyang, North Korea, for further talks. It is believed Hun Sen will return to China from Pyongyang on his way back to Phnom Penh.

■ **Chea Sim** will visit Tokyo from 13 to 16 July at the invitation of Diet member Michio Watanabe on a three-nation tour of East Asia. The invitation follows up on Watanabe's visit to Phnom Penh last summer, where he met with Chea Sim and other Cambodian officials. Watanabe and Chea Sim are expected to discuss Cambodia's economic development. Chea Sim is also expected to visit South Korea and Taiwan, Kyodo reports, to petition for aid and better relations.

■ **Prince Norodom Sihanouk** was reported on 29 June as planning to travel to Hanoi after the Beijing SNC meeting; this is contradicted by other sources. Sihanouk's office has denied the reports.

Cease-fire violations continue

Cambodian government forces have reported continuing attacks in Battambang province by the Khmer Rouge, with "60-100 shellings a day and some days up to 500," a Cambodian military official told reporters. On 8 July, Deputy Defense Minister Gen. Ke Kim Yan said 10 people have been killed and 50 injured in the attacks. The defense minister said the government did not fear that small attacks would endanger the peace process, but recent attacks in Battambang were not small -- between 300 and 400 guerrillas were reportedly involved.

"If it's only 20-30 Khmer Rouge involved in the attacks, we can say they are (rebels) unhappy with the cease-fire, but in Treng it was not an independent act, it was well prepared and on a big scale, with artillery and tanks," General Yan told reporters. "[I]f there is a large attack, directed from the Khmer Rouge high command, our peace process will be difficult."

Sak Sutsakhan, Son Sann to reunite

On 29 June, General Sak Sutsakhan of the Khmer People's National Liberation Armed Forces announced his faction's desire to reunite with the Khmer People's National Liberation Front led by Son Sann, recognizing the latter's leadership. Sak also announced he will observe the cease-fire accepted at Pattaya. Prince Sihanouk urged the two factions, which split in 1985, to reconcile their differences in a letter he sent to Sak just after the conclusion of the Pattaya meeting.

LAOS *

Military delegation visits China

At the invitation of the Chinese National Defense Ministry, a high-ranking Lao military delegation paid an official visit to China from 23 to 28 June. The delegation was led by Politburo member Choummali Sai-gnason and met with General Qin Jiwei, minister of national defense, and other Chinese military officials. Qin Jiwei was invited to visit Laos by the delegation, and he accepted the offer. Talks were held on the strengthening of relations and cooperation in the future.

An editorial on Lao radio following the visit praised the warm reception given by the Chinese hosts. Referring to future cooperation, the editorial said "Amid confusing world developments, mutual relations, cooperation, and assistance on national security is more necessary than before."

REGION *

Conference on Spratlys

Indonesia will be sponsoring a four-day conference on the conflict in the Spratly Islands from 15 to 18 July, to be held in Bandung. The conference will attempt to turn conflict in the region into mutually-advantageous cooperation. The most practical proposal yet made, according to Jakarta's *Kompas* newspaper, is to temporarily put aside the question of sovereignty and concentrate on jointly developing the vast resources of this area.

China is said to have agreed to attend. Although it is unlikely China would allow discussion of sovereignty, the above proposal closely mirrors previous Chinese positions on the Spratlys dispute.

Representatives of Vietnam, Thailand, Indonesia, Malaysia and the Philippines are also expected to attend.

FYI *

Diplomatic updates

■ **Stapleton Roy** was confirmed by the Senate as US ambassador to China on 28 June.

■ Under Secretary of State for Political Affairs **Robert Kimmitt** has been nominated by President Bush to become ambassador to Germany. If confirmed, he would effectively remove him from the process of formulating US policy on Indochina.

■ **Frank Wisner** has been nominated by President Bush to become ambassador to the Philippines. Wisner has previously served in various diplomatic posts, including Vietnam.

The Indochina Digest is published weekly by the Indochina Project, a program of the Vietnam Veterans of America Foundation. Unless otherwise noted, articles are based on AP, UPI and Reuter wire service stories and staff reporting from a broad network of primary sources. Reader contributions, corrections and comments are invited. If you would like more information on any of these articles, or to subscribe to the Digest, please contact the Indochina Project.

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TRADE / INVESTMENT *

Cambodia updates

■ **Japanese delegation** - On 9 July Foreign Minister Hor Namhong and Chairman of the National Assembly Chea Sim told a Japanese delegation Cambodia would need their aid to help rebuild its energy, irrigation and infrastructure systems after the war ended. [FBIS 10 July 1991]

■ **OTC telecom project** - Overseas Telecommunications Corp, Australia's state-owned telecommunications company, has installed an earth station in Phnom Penh. This station will make international direct dialing possible. [*Asian Business* July 91]

Joint venture bank may offer credit cards

Cambodian Commercial Bank, a joint venture between the state bank and Siam Commercial Bank of Thailand, opened in Phnom Penh on 6 July. The bank offers interest-paying accounts, letters of credit, foreign exchange and international money transfers. In addition, Siam Commercial is in the process of obtaining authority to offer Visa and Mastercard services at the bank. [*The Nation*, 8 July 1991]

Vietnam updates

■ **Japanese study** - Kubota Corp and Kanematsu Corp are involved in a study to determine the viability of producing diesel engines for agricultural machinery in Vietnam. The study is being done at the request of the government. [*Reuter* July 18]

■ **Marubeni opens office** - Marubeni, a Japanese trade company, opened an office in Hanoi recently. The firm also has an office in Ho Chi Minh City. Marubeni joins other Japanese trade firms in Vietnam which deal mostly in mining, oil, coal and coffee production. [FBIS 15 July 1991]

■ **Vietnamese firm wins contract** - The Saigon Decoration Company, Sadeco, has been awarded a US$2.5 million contract to build a fish market and other projects in Australia. 50 workers have been sent to begin construction on the project which was designed by an Australian firm. [FBIS 5 July 1991]

■ **Coal exports** - Vietnam exported over one-half million tons of coal in the first six months of this year. This is 216,000 tons more than during the same period in 1990. Japan, South Korea and Western Europe are expected to receive 700,000 tons by the end of the year. [*Reuter* 17 July 1991]

■ **Italian water project** - A $48 million water supply and drainage project in Ho Chi Minh City was recently awarded to an Italian firm. [FBIS 10 July 1991]

■ **Phone cards in HCMC** - Sapura Holding Sdn Bhd, a Malaysian firm, began installing a card-operated phone system in Ho Chi Minh City recently. The number of card-phone booths to be set up is unknown but about 140,000 cards will be issued to the city's 3 million residents. Both local and international calling will be available on the system.

■ **Taiwan airline to open route** - CAL, Taiwan's China Airlines, will begin twice-weekly flights to Ho Chi Minh City beginning on 30 July. The airline has not flown to Vietnam since 1975. The number of weekly flights is expected to double on 1 September. [*Reuter* 12 July 1991]

■ **Foreign investment** - Since passing its foreign investment law in 1987, Vietnam has awarded licenses for 273 joint venture projects worth $2.93 billion according to a foreign ministry spokeswoman. Sixty licenses worth $636 million have been awarded in the first half of this year. Oil and gas exploration, tourism, agriculture and fishing, and manufacturing each represent approximately one-fourth of the total investment. [*Reuter* 18 July 1991]

Refinery project

The government has reduced to six the number of companies it is considering to build an oil refinery, according to the Ministry of Heavy Industry. Total-Cie Francaise des Petroles SA of France, Royal Dutch/Shell of the Netherlands, and four Japanese firms, Nissho Iwai Corp, Nippon Mining Co Ltd, C. Itoh and Co Ltd and Tomen Oil Co Ltd are in the running for the project which will have an annual capacity of 5 million tons. The final decision on the contractor will be made in about 90 days and the project is proposed to be online in 1995. [*Reuter* 15 and 16 July 1991]

Inchape expands

Inchape Pacific Ltd. (IPL), a British firm with offices in Hanoi and Ho Chi Minh City, is expanding its operations in Vietnam. IPL is examining the viability of joint ventures in producing consumer goods and pharmaceuticals and will serve as consultants to foreign investors. IPL currently represents the Unilever Company in Vietnam. [FBIS July 11 1991]

French minister of tourism visits

Jean Michel Baylet, the French Minister of Tourism, visited from 5 to 7 June. Accompanying Mr. Baylet was a group from the tourism office and members of other ministries. The Minister stated the French government will cooperate with Vietnam in the tourism field by training young professionals and promoting investment projects in the hotel and tourism industry. [Nguoi Viet paper]

Tourism joint venture

Reuters reported on 1 May that Vietnam and Taiwan have agreed on a joint project called Vung Tau Fairyland. The Paradise Development and Investment Co. from Taiwan will contribute 75 per cent of the $97 million project. The venture will build a large-scale cultural, tourism and sport complex in Vung Tau. The project is expected to be completed in late 1993. [Nguoi Viet paper]

Treasury denies travel request

In May, the Department of the Treasury denied a request made by the American Chamber of Commerce in Hong Kong to organize a tour to Vietnam for a delegation of US business representatives for a fact-finding mission. Chairman Warren W. Williams was informed of the decision in a letter sent by the director of the Office of Foreign Assets Control, Richard Newcomb. Newcomb wrote "[i]t is contrary to current US Government policy to authorize by specific license the project promoted by the [Chamber]." However, Newcomb noted that individual members of the Chamber could arrange

their own travel and the Chamber could provide its members with information on travel rules to Vietnam "so long as your actions do not constitute prohibited travel service activities."

Luxury tourist complex

TPC Development Ltd of Hong Kong has been granted a license to build a 146-room luxury tourist complex near Ho Tay Lake in a joint venture with Vietnam's Tu Liem Tourist Services Co and Restovtex Co. The Vietnamese will contribute 25 percent of the initial $4 million investment. The project will be completed in December 1992. [*Bangkok Post* 8 July 1991, *SCMP* 4 July 1991]

Soviets to complete hydro project

Under an agreement signed on 4 July, the Soviet Union agreed to work towards improving Vietnam's electrical output capacity. Soviet vice minister for energy and electrical power A P Podubski signed the accord to complete the last five turbines at the Hoa Binh hydroelectric plant located 80 km. southwest of Hanoi. This project began in 1981. In addition, the Soviets will improve the efficiency of the hydro plant at Tri An and the thermo station at Pha Lai. Discussions were also held on the possibility of new electrical projects including construction of a power station in central or southern Vietnam, the laying of a 500 kilovolt cable across the country and another cable to permit the export of electricity. [FBIS 5 July 1991, *HK STND* 6 July 1991]

OTC in telecom venture

Overseas Telecommunications Corp, Australia's state-owned telecommunications company, has undertaken a US$195 million project with state telecom company DGPT to modernize Vietnam's telecommunications industry. Video-conferencing, electronic mail and online database services will soon be available through DGPT. "While much work needs to be done, in the past four years Vietnam's international telecommunications capability has evolved to a stage that, in normal circumstances, would have taken 20 years or more," according to Gerard Lanzarone, OTC's regional director. [*Asian Business* July 1991]

Overseas Vietnamese run companies

According to Hanoi radio there are approximately 100 companies in Vietnam that are operated by overseas Vietnamese. These firms, most of which are in the import/export business, have a yearly average revenue of almost $3 million each. Other industries such as an insecticide production company and a water distillery firm are run by overseas nationals. Saigon Petro, a joint venture run by nationals living in Belgium, France and Germany, produces 200,000 tons of petroleum products per year and Saigon Motor, operated by Vietnamese living in Japan, imports used cars and spare parts from Japan. [FBIS 5 July 1991]

VIETNAM *

Dear Comrade . . .

Party-to-party relations between Vietnam and China have not yet been restored, but there is movement in that direction. On 27 June, Jian Zemin, general secretary of the Chinese Communist Party, sent the following message to his counterpart in Hanoi:

"On the occasion of your election as general secretary of the Communist Party of Vietnam, I would like to extend to you my sincere congratulations. I wish you many achievements in your important leadership position. May the cause of socialist construction and renovation of Vietnam achieve much more progress."

A Vietnamese Party source notes the salutation was more important than the text, and sent a "strong signal." Jian Zemin addressed Do Muoi as "Comrade."

On 30 June, on the occasion of the Chinese Party's 70th anniversary, Vietnam's Party Central Committee sent greetings, concluding: "May the relations between the two parties and nations soon be normalized for the fundamental and long-term interests of the peoples of Vietnam and China.

Japanese paper opens office

The Japanese daily Asahi Shimbun, with a circulation of 8 million, opened a bureau in Hanoi on 4 July.

AID team in Vietnam

The Agency for International Development sent a team into Vietnam from 9 to 19 July to study ways to implement a $1 million aid program. This is the first official US aid to Vietnam since 1975 and is designed to facilitate production of prosthetic devices for victims of the Vietnam war. Fred Downs of the Veterans Administration and Lloyd Feinberg of US AID led the delegation.

CAMBODIA *

SNC meets in Beijing

Nine members of Cambodia's Supreme National Council (SNC) met in Beijing on 16 & 17 July. Events surrounding the informal meeting suggest the further isolation of the Khmer Rouge.

Prime Minister Hun Sen, heading his government's delegation, was met at the airport by Prince Sihanouk who hosted a dinner for the Phnom Penh representatives at his private residence that evening.

During the Beijing meetings, the SNC - functioning by consensus - took the following actions:

- settled the longstanding dispute over the leadership of the SNC by electing Sihanouk as president after he resigned all resistance posts and pledged to serve as a neutral convener. This formula leaves the government with six seats and the resistance with five.

- established a six-member secretariat (three from the government and three from the resistance).

- agreed to send unified delegations to upcoming meetings of the Mekong Committee and the UN General Assembly. The UN delegation will consist of Sihanouk; Phnom Penh Prime Minister Hun Sen and Foreign Minister Hor Namhong; the KPNLF's Son Sann and Khmer Rouge representative Khieu Samphan. Four alternates were named, not including a Khmer Rouge representative.

- approved the UN peace plan "framework document" of last August (but not the November "draft agreement" outlining a more intrusive UN role).

- invited the UN to send a survey mission to Cambodia to explore the requirements for monitoring the cease-fire and the cut-off of foreign arms shipments.

- established procedures for dealing with issues related to the opening of the SNC headquarters in Phnom Penh, repatriation of Cambodian displaced persons, and mine awareness and disposal.

- agreed to a full SNC meeting in Bangkok from 26 to 28 August to consider final details of a peace settlement.

The Khmer Rouge continue to demand the Perm Five (UN) peace plan be "implemented in full and at once," Sihanouk told the press, while "Hun Sen and his party do not want a UN interim authority. They want maintenance of the two governments with a bridge linking them -- the SNC exactly -- and the United Nations would be an adviser, not an authority."

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US/VIETNAM RELATIONS *

Further on mystery photo

Pentagon analysts said materials received with the "MIA" photo have been proven false, but declined to call the photo itself a fake. A Pentagon spokesman said "much of the biographical information was clearly bogus . . . [and] was clearly prepared by someone who was not an English-speaking American."

One example is a letter purportedly written by an American MIA, of which extracts follow [spelling and grammar as received]: "To us there is noting more important seeing you back in the U.S.A. ASAP! You can help by filling out posse info belong your name or you did wilcome duty in the States. Upon receipt of the photo and-or this letter we welcome imeplately to take you home. Date 18-10-1990."

The Defense Intelligence Agency, which released a seven-page report to families and members of Congress on 25 July, questioned the authenticity of the photo. "One principal source of the photograph lies in a ring of Cambodian opportunists led by a well-known and admitted fabricator of POW-MIA information," the report said. DIA said five separate families have come forward giving different identities for the three men in the photo.

Deputy Assistant Secretary of State Kenneth Quinn is scheduled to go to Vietnam on 26 July and Laos on 27 July for talks on the MIA-POW issue.

Baker takes a detour from the "road map"

Speaking in Kuala Lumpur, Secretary of State Baker said the US and Vietnam have come "a significant distance" toward normalization.

Baker said: "One of the major things that we think has to be done is to see complete, full cooperation from Vietnam with respect to . . . the difficulties in Cambodia. . . . Once we see that, we will be able to take steps to move us along the path of normalization. We have come a significant distance since this time just last year."

The new Baker language seems to move beyond the formula proposed in the US "road map" for normalization put forward last April. That plan required the successful implementation of a UN settlement in Cambodia. Baker now speaks only of seeking Vietnam's "full cooperation" in "movement toward a comprehensive settlement."

US Assistant Secretary of State Richard Solomon and Vietnamese Deputy Foreign Minister Le Mai are to meet in Bangkok on 30 July to discuss "questions of common concern."

VIETNAM *

American pastors detained

Four Vietnamese-American evangelists, who entered Vietnam as tourists, were recently detained in Vung Tau on charges of "conducting illegal religious activities." Later, two of the four were detained in Ho Chi Minh City for illegally circulating publications. The four - travelling from California on US passports - held religious services and distributed religious materials without the required permits. All have now returned to the US.

UN assistance in family planning

The United Nations Fund for Population Activity (UNFPA) has an assistance program in Vietnam, its third largest after China and India. Dr. Sheila MacRae, director of UNFPA/Vietnam, said with an annual population growth rate of 2.3 percent, Vietnam's population will be over 80 million by the year 2000. About 50 percent of UNFPA funds in Vietnam go to maternal and child health and family planning activities, including the provision of contraceptives throughout the country.

30 percent of population impoverished

According to Pham Tat Dong, a prominent Vietnamese economist, close to 30 percent of the population lives in poverty. Dong also estimated 1.5 million young people are unemployed and stated that figure could reach 5 million in the next 10 years. Overall, 6 million people were without work last year. Dong encouraged the government to increase educational training, especially in technical fields, to improve the possibility of employment. [Bangkok *Nation* 24 June]

Red Cross delegation to visit US

The American Red Cross announced that a delegation from the Vietnamese Red Cross will visit the US from 24 to 27 August.

CAMBODIA *

Sihanouk chairs Phnom Penh aid commission

Meeting in Pyongyang, Prince Sihanouk and Prime Minister Hun Sen announced the formation of a "Commission in search of aid for the economic and social rehabilitation and development of the State of Cambodia" according to their joint statement. "State of Cambodia" (SOC) is the formal name of the government in Phnom Penh. Vice Chairmen of the Commission are the SOC's three senior leaders: Heng Samrin, Chairman of the Council of State (and General Secretary of the Communist Party); Chea Sim, Chairman of the National Assembly; and Prime Minister Hun Sen. All other members of the Commission are SOC officials.

Getting to know you...

Prince Sihanouk and Prime Minister Hun Sen travelled to Pyongyang following the Beijing SNC meetings for further discussions. Hun Sen then returned to Beijing for three days before continuing to Hanoi where he met with senior Vietnamese officials.

Hun Sen is reported to have met with senior Chinese officials during his two recent visits to Beijing. These are said to have included Premier Li Peng, Foreign Minister Qian Qichen and Deputy Foreign Minister Xu Dunxin. Some of the meetings were "courtesy calls" and included other members of the Supreme National Council (SNC), but a meeting with Qian on 23 July appears to have been more substantive, though details have not been made public.

US Deputy Assistant Secretary of State Kenneth Quinn met in Beijing with Cambodian Deputy Foreign Minister Sok An. The two discussed the the UN peace plan and the MIA issue.

First land-bridge aid shipment since '75

UN-funded medical supplies worth US$200,000 were sent from Bangkok to Phnom Penh by road through the border town of Poipet. The 24 July shipment was the first since 1975. Previously, aid had been sent through Singapore or Vietnam.

UN official Dennis McNamara said nearly 8 tons of medicine were transferred. The bridge at the Thai border is unsafe for heavy trucks, so 15 small trucks carried the supplies across. The supplies were then transferred to Cambodian Red Cross vehicles to complete the trip to Phnom Penh.

Another UN official said "[UN] funds are now all gone and this shipment will be one of the last unless there are new pledges." The Bush administration has yet to release the $13 million Congress appropriated for humanitarian assistance to Cambodia.

ASEAN, China, USSR recognize SNC

At the end of a two-day meeting, ASEAN foreign ministers issued a statement recognizing Cambodia's SNC. The foreign ministers noted "it is necessary to take cognizance of the SNC, as it is now constituted and functioning, and to extend the required international support. . . . all ASEAN countries would respond positively to the SNC's invitation to accredit representatives to the SNC."

The Soviet Union and China, represented at the ASEAN meetings, announced they will soon recognize the SNC. Chinese Foreign Minister Qian Qichen said in Kuala Lumpur that Beijing will send "the highest representative" to Phnom Penh when the SNC is set up there later this year.

Secretary of State Baker, also in Kuala Lumpur, took a more cautious view of the peace process, saying the US is "not interested in any shortcut that would result in only a partial settlement. We are firmly behind the Perm 5 text and that approach." There have been reports, however, that the US, while not formally recognizing the SNC, may open a liaison office in Phnom Penh once the SNC is established there.

This brings to twelve the number of countries indicating they will recognize the SNC, including three members of the Perm Five, the ASEAN nations, Japan, Canada and Australia.

Su casa es mi casa. . .

Speaking in Beijing recently, Prince Sihanouk commented on his personal plans for the future. Comfortably ensconced in a palatial estate in Beijing's Legation Quarter, he said, "My official residence will be the Royal Palace in Phnom Penh, but I will have always residences in Beijing and Pyongyang because the houses I occupy there are gifts from China and . . . North Korea."

A spokesman for the prince's Chinese Foreign Ministry hosts offered the following rather pointed observation: "Mr. Sihanouk's residence belongs not to him but to the Chinese state. When Mr. Sihanouk leaves, the residence will return to the state and be put to some other useful purpose."

New flag at UN

The flag of Cambodia's Supreme National Council was raised at the United Nations on 23 July. The pale blue flag consists of a white outline of Cambodia with the name of the country, in Khmer script, in dark blue lettering.

TRADE / INVESTMENT *

Vietnam updates

■ **Canadian computers** - Computer equipment made by the Fujikama Co. of Canada went on sale in Vietnam on 26 June. An exhibition sponsored by the Canadian firm and the Electronic and Informatic Enterprise Co. of HCMC recently displayed various models of hardware, accessories and software programs. [FBIS 8 July]

■ **Soviet loan** - The Soviet Union will loan $25 million to Vietnam over the next five years to improve the nation's rubber plantations. Specifically, the capital will help support 70,000 hectares of rubber planted under an agreement between the General Rubber Co. of Vietnam and the Union of Rubber Producers of the USSR. Vietnam exported 36,000 tons of latex last year.

■ **Japanese electronics assembled** - Five leading Japanese consumer electronics firms are exporting components to Vietnam for assembly. JVC, Sharp Corp., Sony Corp., Matsushita Electric and Sanyo Electric are shipping television and cassette recorder parts to factories in Vietnam. The Tan Binh, Bien Hoa and Thu Duc factories, among others, are producing the final product. [Asahi News Service 8 July]

■ **Japanese delegation** - A 35-member delegation from the Tokyo Chamber of Commerce and Industry is visiting Vietnam 23-31 July. The purpose is to promote investment for small and medium-sized companies. [*Yomiuri Shimbun* 17 July]

■ **World Bank delegation** - David Dollar led a World Bank delegation to Hanoi on 19 July and was received by Deputy Prime Minister Vo van Kiet. Bank members made suggestions to help improve Vietnam's economic performance. Dollar reportedly said he would ask Bank leaders to provide Vietnam with technical aid. [FBIS 22 July]

REFUGEES *

Refugee policy not FAIR

The Federation for American Immigration Reform (FAIR) said the US should stop basing refugee and immigration practices on foreign policy objectives and end the priority status given to refugees from the Soviet Union, Cuba, El Salvador and Vietnam. The government should allocate funds to help people within their home countries, FAIR says, rather than spend money to resettle refugees in this country.

FAIR wants a ceiling of 300,000 immigrants per year through the 1990s, with political asylum seekers and their immediate families having first choice. The US should increase the amount of aid given to groups working with refugees abroad, the group says, from $195 million to $720 million.

EC program on repatriates signed

A "memorandum of understanding" to implement the EC program for repatriated asylum seekers was signed in Hanoi on 13 July by John Pilgrim, EC Program Director, and Dang Trong Cong, Deputy Director of Vietnam's Bank for Agriculture. The EC is expected to grant credits of US$13 million, at a reduced interest rate, through the Bank of Agriculture to programs in Hai Phong, Quang Ninh and Ho Chi Minh City.

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Indochina Project
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TRADE / INVESTMENT *

Vietnam updates

■ **Insecticide production** - The Vietnam Antiseptic Company has signed contracts worth $6.9 million with 13 foreign firms for chemicals to produce insecticides. The contracts were signed with three companies from South Korea, five from Japan and companies from India, Germany, France, Singapore and Taiwan. [UPI 29 July]

■ **TP JV** - A joint venture between the Mill Service Co. in Vung Tau and Canam Co. of Canada has invested $200,000 to import two Taiwanese toilet paper machines. The venture, called OSCAN, will "meet the demand of the country's tourist industry." [FBIS 23 July p.53]

■ **Foreign investment** - *Nhan Dan* reported on 26 July foreign investment in the first half of 1991 equalled that for all of the previous year. The paper estimated the investment trend may continue for the remainder of the year which would put total investment for 1991 at $1.2 billion.

■ **Exchange rate** - The dong to dollar exchange rate continues to increase: on 25 July the market rate in HCMC was 9700 dong/dollar.

■ **Beer talks** - Heineken, Europe's largest brewer, has begun negotiations with Vietnam to open a brewery in HCMC. [Reuter 25 July]

Trade with Japan to hit $1 billion

The Vietnam News Agency reported on 28 July "[t]urnover in trade between Japan and Vietnam is expected to reach one billion US dollars this year." This represents a 15 percent increase over the $865 million in goods traded last year. The report said many Japanese firms are interested in the electronics and agriculture industries in Vietnam and others see promise in infrastructure development. In deference to the US embargo, the Japanese government does not officially allow investment in Vietnam - although it turns a blind eye. Japan does permit trade. [UPI 29 July]

Economic group proposed

On 18 July Nguyen Xuan Oanh, Harvard-educated economic advisor to the Vietnamese government, unexpectedly proposed Vietnam, Laos and Cambodia establish a ministerial-level committee to coordinate economic reforms in order to be competitive in world markets. Speaking at a conference in Bangkok, Oanh said in order to propel development in the area an "Indochina Development Fund" should be set up with soft loans provided by the Asian Development Bank and ASEAN nations. The Lao Minister of External Economic Relations Phao Bounnaphon cautiously said Laos would consider the plan. [FBIS 23 July p.52]

Change in oil bidding procedure

Do Dinh Luyen, deputy director of Petrovietnam, recently declared the state-run company will change the way it evaluates potential oil exploration partners. Rather than continue the process of competitive bidding, Luyen said Vietnam will negotiate with individual companies for drilling rights. "Petrovietnam . . . prefers bilateral negotiation with each company," Luyen said at a conference in Singapore on 29 July. Petrovietnam has signed 10 production-sharing contracts with foreign firms. [Reuter 29 July]

US POLICY *

US says: no evidence of POWs

Speaking on 26 July, presidential advisor Brent Scowcroft said there is "no credible evidence" of American POWs being held anywhere in Southeast Asia. On 2 August, President Bush agreed "there is no hard evidence." These statements essentially reverse years of US policy.

The Reagan administration used the MIA issue as the central, controlling issue in its approach to Vietnam and Laos. The Bush administration has developed policy based on a variety of interests including the search for a settlement in Cambodia, human rights, and narcotics control.

Scowcroft said there was no evidence in Pentagon records to suggest POWs are being held, and he didn't believe Vietnam was trying to conceal information on the matter. He described Vietnam as being "fairly cooperative" in helping to resolve MIA cases.

US MIA team in Hanoi reports cooperation

Robert Destatte, Defense Intelligence Agency analyst working at the Pentagon's recently opened MIA office in Hanoi, told the press on 1 August: "We have received very effective cooperation [from the Vietnamese] . . . I have made no request for information that has been refused . . . I find it hard to see how they could be more cooperative."

Cheney comments

Speaking to the press on 2 August, Secretary of Defense Richard Cheney said recently circulated photos purporting to show US MIAs have "obscured the fact that we are probably making more progress than we ever have before" on the issue.

Cheney said Vietnam "occupies a very special place in the American psyche. It will continue to be a difficult issue for us to deal with as a government until we can resolve every single case we can resolve."

US MIA investigators to Phnom Penh

A three-member team of American MIA specialists went to Phnom Penh on 31 July to follow up on several photographs supposedly showing missing US servicemen. The mission will remain in Cambodia for at least five days and is composed of Air Force Captain Rich Arant, Defense Intelligence Agency analyst Warren Gray and Sos Kem, an interpreter. This is the first such team to be sent into Cambodia -- an MIA team went to Phnom Penh last year, but only to recover six sets of remains, none of which were subsequently determined to be American.

The possibility of sending an MIA mission was brought up in talks between US Deputy Assistant Secretary of State Kenneth Quinn and Cambodian Deputy Foreign Minister Sok An in Beijing in mid-July. The mission was then approved during Quinn's talks with Cambodian Ambassador to Laos Long Kem in Vientiane on 27 July.

The team is scheduled to travel to the port city of Kompong Som, in southern Cambodia, to investigate the possibility that the 'MIA' photo recently released in the US was taken from a Soviet magazine and duplicated in a photo store there.

VIETNAM *

National Assembly to rewrite constitution

Vietnam's National Assembly, which began its eighth session on 27 July, is considering 138 amendments to the constitution's 147 articles. The Assembly will also choose a new prime minister and fill other top government posts.

Some of the amendments are intended to make the Assembly a much more independent legislative body, according to economist Nguyen Xuan Oanh, a member of the National Assembly, who added: "We are rewriting the constitution because we are in peacetime now and the last Vietnamese constitution was for fighting. . . . This is an extremely significant session in the sense that we are going to . . . better set the demarcations between the party and the government." President Vo Chi Cong, however, said the new constitution would maintain the position of the Communist Party as "the leading force of the state and society."

High level contacts with China

Kawi Chongkitthawon, in *The Nation* (Bangkok) reports Le Duc Anh, Defense Minister and number two in Vietnam's new Politburo, and retired Politburo member Dong Sy Nguyen made a secretive visit to Beijing in late July. The visit seems to have been in response to a request by China for talks on Sino-Vietnamese party and state relations and the evolving Cambodia settlement.

According to Hanoi's Foreign Ministry, another high level Vietnamese delegation will visit China during the first half of August. Kawi reports the meetings will be between Vietnamese Vice Foreign Minister Nguyen Dy Nien and his Chinese counterpart Xu Dunxin.

Floods strike north

Vietnam News Agency reported monsoon rains struck Son La province on 27 July, next to the Lao border. "Thirty-eight people are feared dead and hundreds of others were injured," the report said.

CAMBODIA *

Pol Pot directed Khmer Rouge at Pattaya

In the 5 August edition of the *Asian Wall Street Journal Weekly*, Nayan Chanda reports the secret participation of Khmer Rouge leader Pol Pot in a nightlong meeting of his delegation to the Pattaya meeting of the Supreme National Council in June. Citing intelligence reports, Chanda says Khmer Rouge representatives were unable to negotiate without Pol Pot's personal instructions.

Khmer Rouge seek UN monitors

On 1 August the Khmer Rouge said recent agreements for a truce and a halt to shipments of foreign arms must be monitored by the UN. A Khmer Rouge radio broadcast said the UN could send troops into Cambodia in stages, 500-800 men at a time or as an entire UN transitional authority.

Earlier this year, Phnom Penh Defense Minister Tie Banh urged the UN to send personnel into Cambodia, saying "We want the United Nations to take part. . . . Our stance is we are ready to let the UN observe [the cease-fire]."

The Khmer Rouge has consistently demanded monitoring in the context of a comprehensive political settlement in which all outstanding issues would be settled at one time. Phnom Penh seeks UN monitoring as a step in the settlement process.

Readmission to WB/IMF requested

In anticipation of the annual meeting in October of the World Bank and International Monetary Fund, Prince Sihanouk requested Cambodia be readmitted as a member of the organizations. Cambodia has not been represented in these two organizations since before 1975.

LAOS *

Thai border talks

Thailand's Deputy Foreign Minister Wichian Watanakun held talks in Vientiane on the disputed Ban Romklao area of the Thai-Lao border from 25 to 27 July. On his return to Bangkok, Wichian said both countries still have differences over which waterways form the joint border. Talks focused on surveys conducted by each country last November but the committee was unable to reach a consensus. Results of the meetings will be forwarded to a joint border demarcation committee for further consideration.

REFUGEES *

■ **HCM to LA in one flight** - In the first direct flight from Vietnam to the US since 1975, Hawaiian Air will carry Vietnamese in the Orderly Departure Program (ODP) from Ho Chi Minh City to Los Angeles. The International Organization of Migration (IOM) said two flights have been arranged for 17 and 19 August.

■ **HK may end first asylum** - By the end of 1991, Hong Kong may no longer serve as a first asylum country for Vietnamese boat people. Hong Kong refugee coordinator Clinton Leeks said, "Hong Kong cannot continue to bear the full weight of the comprehensive plan of action. . . . [T]he international community have failed to find a durable means of returning non-refugees to Vietnam." Leeks emphasized the need to establish an internationally managed center in Vietnam to handle returnees from Hong Kong.

■ **Opposition to holding center in SRV** - "Our basic reaction is one of caution, but we would not oppose the idea if certain principles were maintained," said Thang Nguyen, director of Boat People SOS, Inc. Some observers have expressed fear a holding center would become a "detention camp." Thang suggests guidelines for the center, including that all repatriation to the center be voluntary, the international community control the center, and the screening process in Hong Kong be improved. Most importantly, according to Washington attorney Dan Wolf who handles asylum cases in Hong Kong, "a significant degree of sovereignty" must be given by Vietnam to the international community operating the proposed center.

FYI *

Pentagon increases MIA staff

The Pentagon increased the size of its staff working on the MIA issue by two-thirds from 134 to 222. According to the Pentagon, this change is not in response to the recent spate of fuzzy photographs but reflects increasing cooperation from Vietnam.

Pete Williams, a spokesman for the Pentagon, said "We're starting to get more access to Vietnamese records, more access to crash sites . . . Vietnam [is turning] over more remains to us . . . and it takes more people."

The Indochina Digest is published weekly by the Indochina Project, a program of the Vietnam Veterans of America Foundation. Articles are based on wire service stories, published news accounts and staff reporting from a broad network of primary sources. Reader contributions, corrections and comments are invited. If you would like more information on any of these articles, or to subscribe to the Digest, please contact the Indochina Project.

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TRADE / INVESTMENT *

Kiet on economy

Newly-elected Prime Minister Vo van Kiet recently told the National Assembly the listlessness of the nation's economy was caused by a loss of Soviet aid, lower than expected trade with socialist countries, bad weather and corruption. In his mid-year economic report on 5 August, Kiet said the change in the economic relationship with the Soviet Union had not only affected Vietnam's domestic economy but also upset the country's trade balance with its socialist trading partners. Low-rate Soviet loans, once used for trade purposes, have evaporated and the trade level for the first half of 1991 was only 15 percent of last year's mark. Although new markets are being located, Kiet said "many difficulties remain and this [economic] situation will continue for a long time to come." [UPI 6 August]

Thai JV gas project

It was reported on 30 July the PTT Exploration and Production Co. (PTTEP) of Thailand and Petrovietnam had agreed to form a joint venture to develop the natural gas reserves in the White Tiger field off the coast of Vietnam. Under the plan, a gas-separation plant will be built to utilize the estimated 75 million cubic feet of natural gas that is produced each day. [*Nation* 30 July]

ADB notes

Vietnam will participate in a workshop held by the Asian Development Bank in Bangkok 3-10 November. Entitled "Managing Growth in a Market-Oriented Economy," the seminar is for developing countries moving from a centrally-planned economy to a market-driven system. The focus will be on managing growth and examining the role of private enterprise in development.

The ADB also approved a $120,000 grant to promote the development of consulting services in developing countries. The program will be tailored to the needs of the individual country. Vietnam is expected to receive this assistance in 1992.

Vietnam updates

■ **Energy project** - The UNDP will provide a $450,000 grant to examine the country's energy needs and potential. Under the project the World Bank will send experts to draft a medium-term energy development plan. The agreement was signed by the Vice Minister of Energy Le Liem and UNDP representative David Smith on 30 July. [FBIS 31 July]

■ **Japanese trade** - One of Japan's largest trading firms, the Nichimen Corp., has opened an office in HCMC. The company currently is involved in joint ventures with the Viet Thang Vimytex textile factory and with sugar refineries at Binh Duong and Quang Ngai. Total value of trade by the company last year was $9 million. [FBIS 31 July]

■ **Irradiation center** - The International Atomic Energy Agency has provided $1 million in financing to establish the Hanoi Irradiation Center. Located 12 km west of Hanoi, the center will preserve food, health care and forestry products. The Soviet Union will provide the equipment and installation. [FBIS 30 July]

■ **Lao trade** - A private Lao firm, the Kasi Rural Development Co., recently signed a $900,000 trade agreement with an unnamed Hanoi-based import-export firm. Under the agreement, Vietnam will import 1,000 tons of peanuts at $450 per ton, and will export 9,783 tons of cement priced $46 per ton. [FBIS 29 July]

■ **Gem corporation established** - The headquarters of the Vietnam National Gold, Silver and Precious Stones Corp. opened in Hanoi on 18 July. Branch offices will be established around the country. Known by its shorter name Viet Gold, the corporation exports and imports gold, silver and gems. The corporation will be controlled by the Vietnam State Bank. [FBIS 19 July]

VIETNAM *

National Assembly update

■ **Vo van Kiet** has been chosen to be Vietnam's new prime minister. Phan van Khai, who had also been nominated for the position, withdrew his candidacy. At press time, the foreign minister and the interior minister had not been named, and there is speculation that Foreign Minister Thach may hold his post until the next meeting of the National Assembly in December.

■ **The death penalty** is being considered to crack down on embezzlement and bribe-taking, *Nhan Dan* reported. Deputies at the Assembly, looking for ways to eliminate corruption in the economy, have advocated stiffer penalties and a stronger criminal code to prevent economic abuses which resulted in the loss of some $110 million in 1990.

Talks with China

Vietnam's Deputy Foreign Minister Nguyen Dy Nien arrived in Beijing on 7 August for a four-day visit to discuss normalization of relations between Vietnam and China, Chinese foreign ministry officials announced. Nien began talks with his Chinese counterpart Xu Dunxin on 8 August which are to last until 10 August. Topics to be discussed are likely to include the Cambodia situation and the restoration of commercial ties along the Sino-Vietnamese border.

Le Mai suffers stroke

Agence France-Presse reports that Deputy Foreign Minister Le Mai, only hours after a meeting with US official Richard Solomon on 30 July, suffered a stroke. He was treated at a hospital in Bangkok and released after two days. The Vietnamese embassy said on 5 July that Le Mai could not return to Vietnam until his condition improved, so he was resting at the Vietnamese ambassador's residence.

SRV Red Cross visits US

The St. Paul, Minnesota chapter of the American Red Cross will sponsor a visit of three Vietnamese Red Cross officials to the US. They will be in Washington on 24-27 August. Led by Secretary General Dr. Doan Xuan Muon, the delegation will include Hanoi chapter secretary Mrs. Nguyen Kim Chung and Vice-President of the Ho Chi Minh City chapter Mr. Nguyen van Nam. This delegation reciprocates a visit by the American Red Cross to Vietnam in April of this year.

AIDS lab built in HCM City

France's Pasteur Institute and the World Health Organization (WHO) completed a laboratory in Ho Chi Minh City for AIDS testing conducted by the Pasteur Institute.

CAMBODIA *

UN survey team to visit

Cambodian resistance officials have announced that the UN will be sending a team to Cambodia to prepare for the introduction of a UN cease-fire monitoring body as called for by the informal Supreme National Council (SNC) meeting in Beijing 16-17 July. The team is expected to be in Cambodia from 17 August to 3 September.

Next SNC meeting venue changed

The next meeting of the SNC, scheduled for Bangkok in late August, will instead be held in Pattaya, according to Prince Sihanouk. The date is still set for 26-28 August.

FMs to visit

The Thai, French and Japanese foreign ministers will be visiting Phnom Penh in November as guests of Prince Sihanouk, according to a spokesman for the Thai foreign ministry. Thai Foreign Minister Asa Sarasin plans to be in Cambodia on 20 and 21 November, although his visit will hinge upon progress in the current peace process. The visits of the foreign ministers are expected to coincide with the opening of the SNC headquarters in Phnom Penh.

Aid agreement signed

On 24 July, Deputy Foreign Minister Long Visalo signed an agreement with Adventist Development and Relief Agency whereby ADRA will provide foodstuffs and other assistance to displaced persons inside Cambodia as well as assistance in education, agriculture and public health.

LAOS *

Lao officials to visit US

The US Information Agency (USIA) will be sponsoring the visit of two Lao government officials to the US. Dr. Khamlieng Pholsena, Minister of National Social Welfare and Veterans Affairs, and Sorphanh Phengkhammy, Lao Government official in Sam Neua will address a public meeting at the National Headquarters of the American Red Cross in Washington, DC on 15 August. The meeting is scheduled for 10 a.m. at the Red Cross Building, Board of Governors Room, 430 17th St. NW. For more information, contact Mark Freedman at (202) 667-6670.

US POLICY *

Congressional delegation to Indochina

Six congressmen are visiting Vietnam, Laos and Cambodia to look into the MIA issue and its impact on US-Indochinese relations. The trip was planned months before the recent photos surfaced and is not a response to the photos.

Members of the trip include: Thomas Carper (D-Del.); Douglas "Pete" Peterson (D-Fla.); Jim Kolbe (R-Az.); John Rhodes (R.Az.); Wayne Gilchrest (R-Md.); and David Skaggs (D-Colo.).

The group visited Vientiane and Phnom Penh before going to Hanoi, where it held "very good" discussions with Vietnamese Foreign Minister Nguyen Co Thach on 8 August which focussed on the two main impediments to normalization of ties between the US and Vietnam -- the MIA issue and the Cambodia situation. The congressmen urged Vietnam to accept both the four-stage "road map" proposal and the UN peace plan on Cambodia.

REFUGEES *

Khmer, Lao repatriation dates set

More than 350,000 Cambodians living in camps in Thailand will be sent home within 9 months, and more than 60,000 Lao refugees will be repatriated by 1994, according to Thai military spokesman Gen. Naruedol Dejpradiyuth on 31 July. The United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) will assist Cambodian and Lao authorities in resettling the returnees.

The first group of Lao refugees will leave in May 1992 and the last group must be out of Thailand by 1994. Gen. Naruedol said Thailand did not plan to continue to provide shelter for the refugees, and those staying behind would be arrested as illegal immigrants.

UN to build transit centers in Cambodia

The UN is planning to build 6 reception centers and food stockpiles inside Cambodia, an undertaking which promises to be "a hell of a task," according to UN coordinator Darioush Bayandor. In addition, the UN will locate land suitable for the returnees and begin a campaign to prepare them for their return. "We think all the objective factors exist now in order to start the physical preparatory phase for the return of the Cambodians," he continued.

Bayandor said the actual transportation of the refugees to their homeland would not begin until a Cambodian settlement is reached. The allocation of land and adequate food rations will be the most important factors in the success or failure of the program, Bayandor noted.

FYI *

Charitable trust founded

The Indochina Media Memorial Foundation, dedicated to the memory of media personnel who died covering the Vietnam War, has been founded in Kent, England, by Tim Page, a photo-journalist who was seriously wounded during the war. Page published "Ten Years After: Vietnam Today." The Foundation will be establishing a faculty of media studies at Hue University and provide for academic exchanges between that faculty and similar ones in the West. To make a donation, or to request further information, write to IMMF, 2 Fairbourne Heath Cottages, Windmill Hill, Harrietsham, Nr. Maidstone, Kent ME17 1LP England.

Kimmit confirmed, replacement named

On 30 July, the Senate confirmed Robert Kimmitt, currently Under Secretary of State for Political Affairs, as ambassador to Germany. His replacement will be Arnold Kanter, the chief arms control specialist on the National Security Council.

The Indochina Digest is published weekly by the Indochina Project, a program of the Vietnam Veterans of America Foundation. Articles are based on wire service stories, published news accounts and staff reporting from a broad network of primary sources. Reader contributions, corrections and comments are invited. If you would like more information on any of these articles, or to subscribe to the Digest, please contact the Indochina Project.

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TRADE / INVESTMENT *

Vietnam updates

■ **Gold** - Vietnam and Australia have formed Bogomin, a joint venture to mine gold at Bong Mieu in Nghia Binh province. The Australian company, Cocitory, will contribute mining technology as well as 80 percent of the capital for the US$13.2 million joint venture. Production will start within nine months and "is estimated to reach 4.2 million grams (150,000 ounces) of gold within five years." [*Vietnam News Agency*, 12 Aug]

■ **Oil exploration** - Japan's Marubeni Corp. and Norway's Norsk Hydro are jointly bidding for an oil exploration tender off the coast of southern Vietnam. The tender for the 11-1 lot near Bach Ho is set to close at the end of August. [*Reuters*, 8 Aug]

■ **Fishery** - Thailand and Vietnam have set up a fishing and seafood processing joint venture near Vung Tau. The Sowesfood-Thaipochana venture will produce tinned food products for export and local consumption over a 10 year period. Thailand will contribute 57 percent of the venture's initial capital of US$9.48 million in the form of boats and fishing equipment. The Vietnamese contribution consists of boats and the premises for the venture. [*Vietnam News Agency*, 7 Aug]

■ **Group analyzes fish industry** - The Industry Council for Development (ICD), a New York-based non-profit organization, travelled to Vietnam 15-27 March to study the local fishing industry. ICD's recently-released report gave an assessment of the industry's resources, provided marketing strategies and suggested a plan for further development. ICD, which has 44 large corporations on its board, uses its members' expertise to improve the industries of developing nations. Archer-Daniels-Midland, Kraft Inc. and IBM are among ICD's board members.

■ **Export increase** - Ho Chi Minh City experienced a 1.3 percent increase in exports during the first six months of 1991 compared to the same period last year. Export of coffee and industrial products more than doubled. The main commodity exports, rice and timber, decreased. Export value, however, did not increase due to falling prices and the lack of capital investment. Imports grew by 12 percent compared to last year. [FBIS 1 Aug]

■ **Border trade** - Citing Chinese statistics, the army newspaper *Quan Doi Nhan Dan* estimates unauthorized trade at the Sino-Vietnamese border will exceed US$300 million this year, up from US$110 million in 1990. While official trade reached US$35 million last year, private sector trade accounted for 80 to 90 percent of the total volume of trade across the border. *Vietnam News Agency* denounced the booming illegal trade, saying it poses a serious threat to Vietnam's economy. Chinese authorities have expressed their intention to officially reopen certain segments of the 1000 km border closed since the 1979 Chinese invasion of northern Vietnam.

■ **Singaporean firm seeks JV partner** - Singapore beverage manufacturer Fraser and Neave Pte. Ltd. is seeking a Vietnamese partner in establishing a soft-drink bottling plant in Vietnam, but will only proceed with the US$17.5 million joint venture after the Singaporean government lifts its embargo with Vietnam. Singaporeans are barred from investing in Vietnam but are allowed to trade.

■ **Thai minister discusses opportunities** - Thai Deputy Industry Minister Wira Susangkarakan, currently visiting Hanoi, is negotiating a contract to buy natural gas from Vietnam. He is also exploring investment opportunities for Thai companies in gemstone mining and processing.

VIETNAM *

New cabinet line-up

On 8 and 9 August, the National Assembly elected Vietnam's new Cabinet: Vo van Kiet for Prime Minister; Phan van Khai for Deputy Chairman; Nguyen Manh Cam for Minister of Foreign Affairs; Bui Thien Ngo for Minister of the Interior; Gen. Doan Khue for Minister of National Defense; and Do Quoc Sam to head the State Planning Committee. The Assembly removed the portfolio of Tourism from the Ministry of Culture, Information, Sports and Tourism and combined it with the Ministry of Commerce and chose Le van Triet as Minister of Commerce and Tourism. Other members of the Cabinet remain the same.

Kerry: Lift embargo, find MIAs

In Bangkok on 16 August, Sen. John Kerry (D-Mass.) said lifting the US embargo against Vietnam will help solve MIA cases. Kerry, chairman of a Senate bipartisan committee on MIAs, left on 12 August for an eight-day trip to Hanoi, Ho Chi Minh City and Phnom Penh which he hopes will be a "last mission" to resolve the question of missing American soldiers.

"I am going to begin this process with the presumption that someone may be alive," Kerry told the press. "If you have three or four different families staring at you and saying, that's my brother, that's my husband, you've got to take that seriously."

Although opposed to normalization with Vietnam until further progress on MIAs, Kerry said the issue would be significantly furthered if the embargo were lifted "at least partially." Such a move would act as an incentive for Vietnam to cooperate on the issue and would provide the US with "greater access to information." Kerry promised to push for an early debate in the Senate on a resolution to lift the embargo.

The senator said other countries are ignoring the embargo while the US is becoming increasingly isolated. "There are countless countries in Vietnam that are lining up the future and the United States is putting itself significantly behind an eight ball."

Vietnam cooperating with MIA searchers

A US-Vietnamese joint search team, conducting crash site excavations and military records analyses, is receiving extensive cooperation from Vietnamese authorities, team members say.

Bob DeStatte, chief research analyst at the US MIA office in Hanoi, told *Newsweek* the Vietnamese "are doing more for us than we'd do for them. . . . Can you imagine the Pentagon giving the Vietnamese access to our classified military files?"

Vietnamese and US experts working on the MIA issue are scheduled to meet in Hanoi on 20 and 21 August to evaluate the results of their work, *Vietnam News Agency* reports.

Vietnam, China talk in Beijing

A new level of progress in Sino-Vietnamese relations was reached at talks in Beijing on 8-10 August. Vietnamese Deputy Foreign Minister Nguyen Dy Nien met with Chinese Vice Foreign Minister Xu Dunxin and later with Foreign Minister Qian Qichen to discuss issues affecting bilateral relations which, though never officially severed, had been significantly strained since 1979.

After Nien's meeting with Qian, the two signed a communique signaling a warming of relations and calling for increased cooperation. According to the statement, the two sides "exchanged views on the normalization of Sino-Vietnamese relations and on the rapid restoration of bilateral links in economic, trade, communication, postal and other fields."

During the talks, both sides expressed support for continuing cooperation between the Cambodian factions. According to Beijing-based European and Asian diplomats, a "secret accord" on Cambodia is said to have been reached at the meeting. The accord is reportedly based on the understanding that both Vietnam and China would accept a minimized UN presence in the country and a limited Khmer Rouge role in the government, two major concessions by Vietnam. China is to use its influence to restrain the Khmer Rouge, the diplomats reported.

Vietnam said the outcome of the talks "mark a development of the normalization process of the relations between the two countries." As a symbol of this new progress, Beijing promised to host a visit by Vietnamese Communist Party leader Do Muoi later this year.

Nien to Bangkok

After his meetings in Beijing, Vietnamese Deputy Foreign Minister Nguyen Dy Nien met with Thai Foreign Minister Asa Sarasin in Bangkok to brief him about the Sino-Vietnamese talks in Beijing.

Asa, who was also briefed by the Chinese embassy in Bangkok, discounted fears that China and Vietnam were working out a separate pact on Cambodia, saying "I do not believe that just because China and Vietnam happen to be socialist countries they will work out the so-called red solution."

Canadian office to open

Canada's first diplomatic office in Hanoi is set to open on 22 August, according to Marius Grinius, who will be the chargé d'affaires there. Grinius will be hosting a reception to mark the occasion.

CAMBODIA *

Thailand approves embassy plan

On 13 August, the Thai Cabinet approved in principle a plan to open an embassy in Phnom Penh as proposed by the Thai foreign ministry. The embassy, according to a Thai government spokesperson, will demonstrate Thailand's support for the Cambodian peace process and recognition of the SNC and Sihanouk's role in the process. A group is to be sent to Phnom Penh to choose a site for the embassy, and Thai consul in Hong Kong Sunai Bunyasiriphandhu will be ambassador to the SNC.

Activity in party, government

The Cambodian Communist Party held its 13th plenum from 9 to 11 August, at which the Party voted to speed up economic reforms leading to a market economy. The Party also took measures to crack down on corruption, expelling Ho Non from the central committee for "pilfering for personal benefit," according to Phnom Penh radio.

Men Sam-An, the only female member of the Politburo, was relieved of her position in the central committee secretariat, reportedly at her own request. She was replaced by Ke Kimyan, the deputy defense minister, and retains her Politburo post.

According to the Vietnamese paper *Nhan Dan*, Cambodia's National Assembly opened its 21st session on 14 August. *Nhan Dan* reports that the Assembly is to replace a certain number of government members after reviewing the work of the State Council and the Cabinet.

UN to ship more emergency supplies

Thai border officials said the UN will be sending about 60 tons of food, medicine and clothes to Phnom Penh on 20 August. The supplies will be trucked across the Thai-Cambodian border at Poipet and then taken down Highway 5 to Phnom Penh, the second such shipment in two months. Dennis McNamara, a senior UN official coordinating the shipments, reportedly hopes to send another cargo of supplies into Cambodia in September or October.

UN team's tasks defined

In response to a request from Prince Sihanouk, UN Secretary General Javier Perez de Cuellar said in a letter to the UN Security Council he is sending a Military Survey Mission to Cambodia. The mission will work out details of UN supervision of the ceasefire in Cambodia, monitor the cessation of foreign arms supplies, and examine the question of removing landmines. The 12-member team is expected to be in Cambodia from 17 August to 6 September and will visit the interior of the country as well as the border areas.

LAOS *

Constitution adopted, officials elected

The Supreme People's Assembly held a three-day session 13-15 August to adopt Laos's first constitution and to elect senior officials of the government.

The new constitution, which has been in the drafting stage for 16 years, defines the Lao government as a "people's democracy" with the Lao People's Revolutionary Party (LPRP) as its leading force. According to reports from Bangkok, the constitution recognizes private property, aims to protect foreign investment in Laos, and replaces the hammer and sickle in the national emblem with a Buddhist shrine. A new electoral law for National Assembly deputies was ratified by the Assembly, and elections should be held by early next year at the latest, *Agence France-Presse* reports.

A major structural change outlined in the constitution gives the presidency much more power than it had before, including the power to directly run the military and to hire and fire government officials, including provincial mayors and governors and even the prime minister. The president is also empowered to ratify or abolish treaties signed with foreign countries. The term of office of the president is limited to 5 years.

Kaysone Phomvihane, the Communist leader who recently resigned from the leadership of the LPRP, was elected president, replacing Prince Souphanouvong; and Khamtay Siphandon, the defense minister, was elected Prime Minister, replacing Kaysone. Souphanouvong, who had been president since 1975 and who has been too ill to perform his duties as president for several years, is retiring from politics. Phoumi Vongvichit, who has filled in for Souphanouvong since 1989, is also retiring.

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