

Phnom-Pénh May 25th, 1998

**To Mr. Matthews Grainger
Managing Editor
« Phnom-Penh Post »
Phnom-Penh, Kingdom of Cambodia**

Dear Sir,

I thank you very much for the publication of my letter dated May 13th, 98 in your honorable fortnightly newspaper, the Phnom-Penh Post, especially for the very accurate meanings of the excerpts. However, I have some minor notes. First, I was not « NBC governor in the 1960s » but only « NBC Director General who was in charge of all NBC's operations (3rd paragraph of your publication). Secondly, I wrote... « that gold, foreign currencies, local currencies and all belongings are assets of the NBC... » instead of « Kim-Y said the gold was not a foreign reserve, but rather an asset of NBC... » as indicated in your article. In deed, gold and foreign currencies play the same role in the balance sheet of a central bank. They all are asset of the bank. It was the NBC's authorities who said wrongly that gold was not an asset of the NBC....

As to Mr. Chhang Song's declarations, may I ask you to reassure him that all the NBC's gold were bought by NBC's foreign currencies and not by Cambodia Co's money. The NBC's gold never reserved for the use of Royal Palace. The gold was the entire ownership of the NBC and used to guarantee the exchange-rate of the Riel exclusively because the Riel was based on gold in the NBC's statutes at that time. 35 Riels were always equivalent to 1 US dollar in the 1960's for more than 15 years.

In this matter, I would like to let you know also about the strict management of NBC's foreign currencies in the 1960's. Every year, the NBC authorized the Prince Norodom Sihanouk to exchange only 100,000 French Francs (maximum) then equivalent to 1 million Riels for His medical treatment in France and He had to pay back the 1 million Riels equivalent to the NBC by the Royal Palace budget.

I can confirm that all these are real facts.

Excuse me to be so particular because I would like to re-establish the truth only, as I am a very faithful reader of your esteemed newspaper.

Very sincerely yours,

**HENG kim-Y
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