



05 August 2010 — Samdech Akka Moha Sena Padei Techo Hun Sen Presents a bouquet of flowers to Madame Bun Rany Hun Sen upon her re-election as the fifth-term President of the Cambodian Red Cross (Kampuchea Thmei)

17 August 2010 (Unofficial Translation of Selected Comments)
Policy Paper: Rice Production and Export Promotion

In addition to the prepared text, Samdech Techo Hun Sen is making comments on various related aspects on Cambodian rice production and export orientation, which the CNV team is making selection and translation as follows:

... Let me clarify this point (with regard to weather condition) as in these weeks **climate change has become major threat to China which after snowfall which destroyed crops, there followed by drought and then at this moment flood.** Take Russia into the picture, its production of wheat is perhaps less than expected, whereas appalling conditions of this sort is also noted in India and many other countries. It has been estimated that prices of various crops this year are on the trend of rising. Taking this note Cambodia should try and benefit from

the situation to increase its produce which is for own food security and also for world demand. That does not mean that Cambodia is trying to make the most in term of price at all and if Cambodia is becoming a main actor in this, it will not partake in increasing the price of rice at all. In short, due to climate change and the change of other productive conditions, it is foreseeable that for years to come, countries that used to export food would probably reduce it and/or even turn to be importer of food too.

... **Another point to make here is that with respect to market size, we could find a bigger market for rice than for garment products.** Export of garment products is meeting with competition from so many countries, while for rice the conditions would be different because not every country is fit for rice cultivation at all. As far as this is concerned, as of now Vietnam and Thailand stay at ahead in

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12 August 2010 (Unofficial Translation of Selected Comments)
Measures for Protection of Tonle Sap Lake

In addition to the prepared text, Samdech Techo Hun Sen is making comments on various related aspects to the conservation and protection of the Tonle Sap Lake and Basin of Cambodia, which the CNV team is making selection and translation as follows:

Fish Trap across the Lake and/or River

... In relation to issue of placing barrier for trapping fish across the river or part of the lake, we

should understand that it will be also a hindrance to tourist traveling by engine boats or other water transport means. This could cause a disaster. I would like to urge for immediate attention by the various provincial authorities that are bordering with the Tonle Sap Lake or basin. Placing bamboo net across the waterway brings about this condition in which silt is being caught and therefore making the area shallow. In Cambodia, water is turning unclear in the

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09 August 2010 (Unofficial Translation of Selected Comments)
National Program: Sub-national Democratic Development

In addition to prepared text, Samdech Akka Moha Sena Padei Techo Hun Sen made some comments on theory and practice of sub-national democratic development under the State of Cambodia, general challenges, practices and by-laws, all positions not for life, trimming staff expense at 2.5% of GDP, no state within state, and the letters on Cambodian-Thai border issue to the United Nations that CNV is providing herewith the selection and translation.

Sub-National Democratic Development – Theory and Practice by Former State of Cambodia

... I wish to stress here on this important issue of the elections of the sub-national council – city, province and district/khan. After a long discussion started in 2004 with HE Sar Kheng, Deputy Prime Minister and Minister for Interior, we have opted for non-

universal suffrage to set up these councils. The issue which requires thorough discussion has been the role of the councils or to be more specific the relationship between those at the district and provincial levels as appointed by the Royal Government and those at the communal levels that are being voted in by the people. Also discussed was the issue of delegation of power in the form of decentralization to the local level.

Though these things could be said anew, they are similar to what we had applied in between 1979 and 1993. We wanted a unified administration. It had been established once in the time of the former State of Cambodia. In fact we have backtracked from there. I would say that it was in fact because of the unified administrative mechanism that in between 1979 and 1991 or 1992, we were able to stand

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rice export, but many countries have better records in competition for exports of garment products. As you can see now that the market for rice is still large, which would fit in our outward-looking strategy whereby exporting rice is a major factor. The market potential is more favorable and therefore we should be quick to gain access and get a share of the market.

Before long we will send a delegation to the Philippines as proposed by HE Aun Poan Munirath (Secretary of State for Economy and Finance) because this country has expressed interest, by former President Arroyo, and I have yet to meet with the new President, in purchasing rice from Cambodia directly. Also during the visit of HE Najib Tun Razak, Prime Minister of Malaysia to the Kingdom of Cambodia, he has expressed interest of importing rice from Cambodia to Malaysia. In my recent visit to Singapore, I also discussed with (Prime Minister) HE Lee Hsien Long about the prospect of exporting rice from Cambodia too.

It is important for us to know what sort of rice species and quality that is demanded out there so that we could orientate our rice production to answer those demands. There has been argument that exporting paddy rice is easier because there is no need to fulfill the customs and/or trade procedures. But we should also see that exporting paddy results in loss of value added stuff such as rice bran, broken parts, husk and also jobs for our people. It has been studied and estimated to be some 600 million US dollars loss if we were to export a sum of three million tons of rice in the form of paddy. It is therefore a must for us to change the situation whereby all value added stuff will be retained in the country.

By the way, I would urge our

people to consume pork again. I have pork everyday. After I told our people about the pig disease, it seems our people do not consume pork and this situation has in turn brought up high the price of beef, chicken and fish. Those who sell pork have had a bad time. In fact I just placed an order to ban import of pork from foreign markets and suggested that those who sell pork from local farms should not benefit from this situation in high pricing. Unexpectedly, traders of beef, chicken and fish have done it otherwise. So please be informed that it is ok to consume pork but it needs to be well-done.

So if we could keep rice bran and broken parts of rice in the country, these will contribute to raising animals also. This is what they say using money to make more money. Rice could be made into many forms of final products. Some rice mills make use of husk to generate electricity, which they use as energy for running the mills. This is one small example and it should not be understood that this is to be achieved by sole Government's effort. It is required that there must be participation from private sector and that of the civil society.

... As far as credit is concerned, here we mean credits or loans provided by commercial banks and loans by credit banks. I also have received a letter from Oknha Pong Khieu Se regarding why commercial banks find it hard to provide credits or loans for the rice mills to purchase rice. He has proposed some ideas in relation to that and suggested the State have to provide some assurances too. We may think of providing some 50% insurance but that does not mean they come and collect money from the state. For example, Canada Bank provides 100% loan for which loan taker is obliged to pay 100% interest to the Bank.

In case of risk, the state could provide 50% insurance so that all commercial banks could feel assured in providing risky loans.

I would warn against a situation that so and so might get together and create so and so association for accessing the credit scheme from the commercial banks. It is indeed up to the banks to make their judgments. Some may go this far to talk to the press in case of loan denial by the banks. They may resort to blaming them for going against the Prime Minister's instruction. Under the State of Cambodia, there was this situation that the state was making loan for someone to operate in fishing business. The loan taker had in fact not used the loan for that but for buying gold for speculation purpose when the gold price went up. The principal was returned to the state whereas the profit went to his house. So I urge that your judgment has to base on real action.

So far commercial banks have given loans for purchasing immobile assets and now I urge that they set aside a part of their resources for loans relating to this rice production and export policy. It is indeed a concern that the banks are not confident of possible return in some accidental risks such as the mill is on fire, for example. In that particular case, the state will have to help cover half of the cost.

... I have the need to clarify issues of land management, seed and management system. Herein we talk about farmer's organization. It is frightening for us to have heard the word "cooperative" because in true experience among many of Cambodians, the term connotes a hidden meaning of killing. As far as rice export is concerned here, if we were to let actions be taken and implemented in a sporadic way, it is not realistic to talk about exporting rice, though

we may have found market for our products. It would not be feasible when our people keep cultivating rice of different species.

Former Ambassador of Japan, HE Fumiaki Takahashi, raised an idea to me, while we inaugurated the irrigation system at Kandal Stoeung district of Kandal, about forming cooperatives. I told him it is better to use a different word like farmer association or rice production community. In fact the true meaning of cooperative is not bad but Pol Pot had given it a bad meaning like "Angkar," literally translated as 'organization,' which has become a word that symbolizes the killing power meaning.

With better irrigation system in some areas, take for instance in Pursat in Damnak Ampil and Jaret I, we have to go into contract with some markets and also have to assure that a particular species of rice will be grown and that species of rice will be harvested and shipped to destined markets. In Battambang there is this place where they cultivate dry season rice "Techo Dry Season Rice Production," which consists of farms with sizes between 2,000 to 3,000 hectares, and even 10,000 hectares. This kind of farms could cultivate this particular rice among those living in the area.

We should start with area where there are water irrigation system and water resources. We should get our farmers together to provide them with seed and credit, and also market for their products, through which we will buy from them. Some farmers who have better skills and knowledge could opt for best quality rice production and sell to us because we provide them with better price. Take for instance, if they produce and sell two tons of good quality rice at a price they could buy three tons of lower

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quality rice, they would then go for it. This is what we could understand it to be a swap from production for consumption to one for commercialization.

Before Cambodia was in general producing rice only for consumption, which we call subsistent agricultural production. As of now, roughly, Cambodia has moved to production for commercialization already. Some people who are clever have picked up good quality rice production and sell them to local market. They use the money to buy rice of lower quality at lower price for consumption. However, mobilizing our farmers to change his habits in cultivation would not be easy. Those who have benefited from advanced technology happened to be those who cultivate rice along the border with Vietnam. Vietnam has got better technology and seed for cultivation. Our people here learned from them ...

... As far as some shortcomings are concerned with regard to export and import process, I would urge that all relevant institution to perform their duties in a smooth and timely manner. This

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had had clashes with Myanmar, Laos and now with Cambodia.

International Conference – A Proposition

In light of all this I would therefore propose for the convening of an international conference on the border between Cambodia and Thailand ... I have instructed my forces to stay and wait on the Cambodian side and not to trespass even one inch of the Thai territory. But we will not allow in the same manner any infiltration into our territory.

Cambodia is not afraid of the attempt to internationalize the Cambodian-Thai border conflict. I would appeal to every inter-

is not only for rice but for everything. Thanks to what we have instructed to the customs house and their mechanism, we have noted an increase in export of rice in the first half of this year. We are hoping for further improvement. I would demand that we have to make sure of our ability to secure supply when we are going into contract with so and so in the market. It should be a successful campaign for outsiders to get to know Cambodian rice.

... As far as working team formation is concerned, I would urge for the establishment of a sub-working group in the field of agriculture both in the Royal Government and agricultural working group to look into issue of rice production and export. Millers could also be recruited to be members of the sub-working group, where HE Chan Sarun (Minister of Agriculture) and HE Cham Prasidh (Minister of Trade) could work together on this endeavor. Besides making ourselves food sufficient, we have to strive to make Cambodia a real exporter of rice and one of the main actors in regional and world food security... ■

ested nation that Cambodia is proposing the convening of an international conference on the border conflict between Cambodia and Thailand, and demand for the Thai to withdraw their troops ... It is now a must for us to seek for multilateral mechanism such as ASEAN, the United Nations, or even the Paris Peace Agreement Signatory Nations ... I have the knowledge that some friends would lobby us to reconcile, thus I would in this moment urge our friends that both sides need to reconcile and not just the Cambodian side. The word and position said and applied to Cambodia must equally be said and applied to Thailand... ■

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against the Polpotists.

As of now I think the situation has improved if we were to compare the provincial situation to that of 1994, when HE Serei Kosal and Ung Sami (then Governor and Deputy Governor of the Battambang province) had to manage with only one million Riels (per month). The motive of such a decision and implementation in those days could be understood as the aim of weakening if not killing the provincial and district administrative authorities from the former State of Cambodia. It was with this intent that all income, starting with business stall in the market, must be centralized at the Ministry of Economy and Finance.

Well to come back to the sub-national councils, it was stipulated in the Constitution of the State of Cambodia on the people's council elections. But because of unfavorable conditions, then Prime Minister had (requested the Parliament) to postpone the elections. However, what could be identical to this system was what (the State of Cambodia had and) was called the Provincial People's Revolutionary Councils, in which Governor, Deputy Governors, and heads of all offices at the provincial level were all members (of the provincial councils). In those days, the system allowed for decision and implementation to be made by provincial level. Take for instance, with the authority bestowed upon, fixing some minor road and/or bridge damages could well be within their decisions and actions.

But because of this system in place, they do not have the power and resources to do anything like those. They had to wait for decision made and resources provided from central level. They would rather sit and wait for the central authority to

act on mending even minor road damage, restoring a small water canal, etc. What has brought us to this situation? It is because their power and resources were stripped off or limited. Again I am asking you to understand that the motivation hidden behind the system is to incapacitate the power and resources of the sub-national authorities, which are in fact those left from the former State of Cambodia.

As of now, I have just signed a few days ago on a document proposed by HE Keat Chhon, Deputy Prime Minister and Minister for Economy and Finance, in which by 2011, the national budget of no less than 2.8% would be earmarked for the communal operation, and so and so amount for subsequent years of 2012 and 2013. As you can tell the difference now that we (in the current system) have dispensed our budget to the communal level, which is indeed a different manner to which (system in the past) that no resources had been allocated for those at the provincial and district levels.

That was, I must say, because of motive of reprisal (by those in opposition to the State of Cambodia), now we have come back to a similar system, though the procedure and form may not be same as for this time there is this organic law of the whole organization of the system.

All Positions – Not for Life

... In one of the Cabinet meetings, I have requested members of the Cabinet to meditate on the fact that everyone is not a person in position (minister) but a simple citizen and to concentrate our thought that what (the work that) we have been doing is for the national future. My major concern is that some of us may have thought or believed that the position s/he has been bestowed upon is something that one has

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to hold on for good. I may warn you that positions of Prime Minister, Deputy Prime Minister, Minister, Secretary of State, etc. are not for life and/or for passing on to siblings.

The same is also true for those at the provincial level. They should understand that struggling for more power for the provincial level would then make them Governor for life and/or to transfer this position to their siblings. Let's all think alike that what we have been doing is for the sake of our country's future. Our younger generation will indeed be grateful to have benefited from what we have been doing and reforming. It is in this thought that we have been making efforts to urge for delegation of power and resources to local level, or in the term we used decentralization of power to the local level.

Decentralization – Challenges and Practices

There is also this issue of power concentration at the central level as well. I could recall an issue by which the Ministry of Transport and Public Works has brought to my attention their decision to plan for a registration of all water transport means in one place at the central level. I annul the draft in the Cabinet meeting right away. I do not see it fit to create a situation in which everyone across the country has to bring their water transport means (even engine boats included) to register in Phnom Penh. What would happen to those operating engine boats in Stoen Treng province or any faraway provinces? Worse still, their registration would be valid only for some months.

I would urge that such power must be transferred. Let's look into this issue of other means of transport like vehicle of all kinds. I would urge that they be registered and provided with number

plaques by the local authorities, for example, those with cars as their means for transportation should go to the provincial level for their licenses and those with motorbike should go to the district. I am sure transferring power to local authorities can be done but there seems to be a lack of will to do so. That is why I am asking all of our officials to change their behaviors. It must be ensured that power transferred from central to the provincial level must then be decentralized to lower level too.

We can come to another example of provincial representation. In the time of the State of Cambodia, it was the line Ministries that appointed their Head of Offices in the provincial level whereas it was the provincial committees who appointed Deputy Heads of Offices. As it is the case now, the line Ministries appoint their Heads and Deputy Heads of Offices, the practice of which has brought about this functional delineation, in which (system) some officials tend not to collaborate with the provincial authority for communication they have only with the line Ministries.

Let's look at China, because of its size, if China does not apply this policy of decentralization, how could one expect this country could control what happens? If every detail has to be decided by Beijing, how could one expect their decision could match and solve the problem in time? I do not have to raise an example of the United States of America or Germany where there are federal state systems, or even the Federation of Russia. Let's look into China. The central power structure of China has in fact encouraged the power transfer to the local level and I could give you an example of Nanning where huge investment fund has been mobilized.

In my visits to Xinjiang, once in

1996 and again in 2004, the Governor told me that he gave some 70% of income to the central level, whereas the rest is kept for staff salary and infrastructural development. This is a different situation compared to ours where the central has to cater to demand from the provincial level. In the time when HE Chhay Than was Minister for Finance, in his financial updates to me, he provided a list of income and expense, on which so and so imbalances could be addressed by so and so amount of money to be taken from the provinces of Kompong Som (now Preah Sihanouk) and Koh Kong.

In fact the two provinces' incomes helped cover financial imbalances at the central level. But for your information, those provinces with surplus of budget were Phnom Penh, Kompong Cham, Kandal, and then at a later stage Svay Rieng. However the biggest income provinces were Kompong Som and Koh Kong. Having said all this I would once again stress the importance of behavioral changes, specification of functions and delegation of power. Take for instance, officials designated by the Ministry of Interior to work at provincial and central levels are now being transferred to be those of the provinces, whereby we will write a law on Sub-national Officials, after we already have the law for officials who work at the National Assembly, the Senate and the Constitutional Council.

Bylaws for Sub-National Management & Organization

To put it in short, the Secretariat for Public Functions and the Council for Administrative Reforms have to take the responsibility in preparing bylaws and human resource development for the sub-national level management and organization. However, no matter what needs to be done, it is forbidden for any

establishment of what could be termed as two frameworks of one administration. What I wanted to clarify in this statement is that we will not allow differentiation in salary terms for those who are covered in the law for officials working for the National Assembly, the Senate and the Constitutional Council from those who would be covered by law for Sub-national level officials. There will not be two standard for one administration.

Having shared the time with our administration for some 32 years, not to mention 26 years of being in the position of Prime Minister, I understand the situation quite well. I have a point to make on this particular issue of "officials who is addicted to power and position." Some people, who used to have much power at the provincial level, when becoming leaders in the ministries, tend to inquire to be powerful as they used to. Take for instance, these people were the ones who claimed that provincial power had been confiscated by the central level, but when he got to the central level, it is he who then try to be even more powerful. This is the group of people that I am calling them "power addicted people."

In 2010, we have proposed a number of officials to take retirement while new recruitment would not be made, except in the case of medical staff, such as midwives, and teachers, where some 5,000 personnel have been recruited every year. It has been suggested by HE Sar Kheng already that the formation and provision for officials for the sub-national level would not in effect demand for intensive recruitment of new staff ... aimed at helping maintain our macroeconomic stability. Also the case is any appointment and/or promotion proposal for police and soldier, except those at the lower ranks. What is the reason?

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rainy or flood season. This is because the flood has brought with it some silt which is in fact an element that heightens the mud level in the lake every year. Those who live along the rivers need 1) silt for their cultivation, 2) soaked land that is easy for plowing and 3) lessening of threat from grass and insects.

It would be a bad year for them if by any natural reason their villages or cultivation land are not flooded. In the 1990s, there had been this motivation of channeling assistance to everyone affected by natural flooding. In fact people living along the river are so happy with seasonal flooding, only if it is not as disastrously high as that of the year 2000.

Take one real example of a place between Prey Sangke village and my commune of Peam Koh Sna in Kompong Cham province. In 1995-96 people there requested for my assistance to build a road to connect the two villages. I dared not say yes because I used to row a boat along this requested path and it was as deep as a bamboo tree (perhaps eight to ten meters). But the road has been later built because the place has been silted up by flood every year and the depth is no longer what it was when I lived there. Four huge lakes behind my village have now become our people dry season rice fields. Silting up the lake by flood is not the only reason. Leaves of inundated trees and bushes have also been adding to the situation as well.

This is not a different situation to that of Tonle Sap Lake. There have been numerous waterways that are being dried up within the section from Stoeng Treng province down to Prey Veng, Kandal provinces and all the way to the border with Vietnam. Due to a bad flood situation in 2000, I gave my order to HE Lim Kean Hor, Minister for Water Resources and Meteorology, to cut

through the road to relieve flood water from one side of the road to the other at the place where the Japanese people and Government offered to build a new bridge along the national road 1. We did the same for a section of the national road 2 to relieve flood water from the western part of Phnom Penh. In fact there used to be a water canal but it was filled up under Pol Pot's time. Later it has been excavated with the Japanese assistance.

Deepening the waterways or streams to help bring water from river into the lake system plays very important role in drawing silt into the lake while reducing the speed and thrust of flood water from upstream, but also would drive the fish and baby fish from the river into the lake as well. I would say it would be marvelous if HE the Japanese Ambassador could consider helping us deepen a number of waterways in upstream. This would also help in relieving flood pressure, which in the last years had caused flooding in Prey Veng, Kandal and a certain part of Svay Rieng province. As far as baby fish is concerned, when HE Chea Sophara, now Minister of Rural Development, was the Governor of Phnom Penh, by pumping silt from the Chadomuk (four intersections) river, millions of them were carried away by flood current directly down to Vietnam more than they were to Tonle Sap Lake. It is also important to know also that in addition to this cause, the high sea water level in Vietnam has also contributed to heightening the flood level in Prey Veng and Kandal provinces as it prevented the flood from flowing down to the sea in a fast manner.

It is to be understood here that all sort of barriers for catching fish is one major cause for silting up and the areas adjacent to the river system are in fact the first to get silted up. That is why I have said

it would be great if our Japanese friend, and/or development partners, could help us deal with this threat of our waterways being blocked by silt. This should be seen as a matter related to the Tonle Sap Lake and Mekong Basin as well.

The fact that parts of the Tonle Sap Lake are getting shallow could be understood to be caused by both natural and man-made factors. It is true that nature also plays a critical role in that but what we can do to help with is to avert disastrous human actions. That is why there have been calls for management. You may have remembered on April 6, 2010, from the Agricultural University of Chamka Daung, I brought this matter up and there is also an instruction to dismantle man-made water reservoirs within the Tonle Sap basin. I wish to see that this instruction/order is to be uphold and implemented as a national movement for the protection and preservation of Tonle Sap Lake.

Beware of Native Settlements in Zone III

However, I have some notes for us to consider in our policy making vis a vis this action. There have been cases in which people in Kompong Chhnang, Pursath and a part of Battambang provinces, who have been settling for generations in those areas. So it is not a correct understanding or action to evict them all from the Zone III. They have the rights to continue their settlements there.

There have to be discussions and studies by those of development and preservation works in improving their ways of life and to keep them from actions that are causing disastrous effect on environment. This should include also consideration towards infrastructural development.

It is important to make them understand that it is not a viable way to clear inundated forest and

we have to help them find other means to support their livings, take for instance providing them with seeds and job trainings. In various discussions with a Professor from the Sofia University of Japan on how to go about with the effort to preserve the Angkor Wat temple, since when it was not yet registered to be one of the world heritage sites, I have made suggestions that it is important to reduce firewood cutting, tree chopping and burning for sap, which would in fact bring about forest fire and/or environmental degradation.

The best way is the state to create alternative jobs that people in this area could swap from tree sap collection and firewood cutting. I think we should take similar approach for the Tonle Sap Lake and its vicinity. Some immediate supply is necessary but it would be best to provide them with a sort of development so that their living conditions do not depend too much on actions that cause negative impacts on environment as it is commonly understood that poverty would have severe impacts on the environment. It is in this thought that I request for a meeting between those who belong to the trend of development and those of the conservation trend, whereby specification of role will be well defined.

Take for instance in order to prevent the expansion of families on to new land near and around Angkor Wat area we have developed a village at Run Ta Ek for some 1,000 families, mainly newly married couples, who traditionally have to move out and set up their own families or households. If we were to leave this issue unattended, it would not be long before the area of land around and near Angkor Wat will be encroached upon with new settlements. This is what I would call a preventive measure with a long term inter-

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est. Again, it is in this belief and thought that those who belong to conservation and those to development need to meet with each other and figure out how to help them alleviate their poverty, the progress of which would relieve pressure of any sort on the Tonle Sap Lake environment.

As is defined, the Tonle Sap Lake area consists of three zones, in which Zone I is the centre of all. We have decided to mount markers defining the boundary in Zone III. However, I would not like to see any intentions to suggest investments in Zone II. I have just instructed the annulment of the discussion with regard to the proposal for such development projects from the province of Kompong Thom at the Cambodian Development Council. There have been quite some proposals from the province of Kompong Thom for the development of rice cultivation projects in the area. I would say, let's leave this project of rice cultivation in the lower land for the moment and try to increase area of cultivation on high ground.

I would suggest that HE Chan Sarun (the Ministry of Agriculture, Forestry and Fisheries) and HE Mok Maret (Ministry of Environment) should promote development on higher ground area because I am talking here to protect and conserve both Zone III and Zone II, including also areas that are adjacent to Tonle Sap Lake.

We have land available along the Mekong River as we can see that they built reservoirs while preserving bio-diversity of the system. And after the flood recedes, they use water to irrigate their rice fields in the dry season, where fish that came from the natural system to reside in those reservoirs can be caught.

We are now one Khmer nation

and for fulfilling this mission one cannot blame failure of any sort on so and so, like before it had been placed all the impossible on the Khmer Rouge. In 1995, they had in fact come into area behind the Kong Meas district of Kompong Cham and even shot at my helicopter. Now we have only one Khmer and no one could have taken the blame for us. Any disaster that would arise would be within the responsibility of the ruling Party and the Prime Minister will be accountable before the history of our nation. So if any Governor is to be removed from position in light of this, I would seek your understanding, because I, as the Prime Minister, and other Ministers concerned, will be the one most responsible for whatever happens before the history of our nation.

Reactions to Thai Prime Minister's Comments

Now I have one more thing to talk about and I would excuse foreign diplomats who are present for taking this issue up on this occasion. I have had to make comment on that. Here is the letters by HE Abhisit Vijiaviva, Thai Prime Minister, sent to the Security Council and to the President of the General Assembly of the United Nations. The point to be noted in this letter is that he (Thai Prime Minister) put his blame on me for misquoting the Press (on issue relating to his remarks to use both diplomatic and military means to resolve the border issue with Cambodia). I just feel pitiful for the Press in Thailand that every now and then they have been victimized for quoting what was said. In this case wrong statement by Thai Prime Minister has been a blame placed on the press – printed and audio-visual, and also websites.

Taking this development into consideration, is it still trustworthy as far as the Thai press is concerned? I think to defend their credibility they should come out and ascertain the fact

about what the Prime Minister had said. The August 7, 2010 news has been written and quoted in many Thai press – ASTV, TNN Online, Matichon, Thai Rat, etc. I must tell my Thai counterpart that on the Cambodian side we have recorded from Thai TVs and we could also send the Thai Prime Minister a copy if he'd like to.

In the same live program, earlier there was this piece of footage about Siddhi Limthongkul, who happened to talk about the map of the Thai-Cambodian border. (Thai Prime Minister) Abhisit Vijiaviva said, and here is the quote – “we must take both measures – diplomatic and military ...” In one other note Abhisit said: “the military will provide 100% cooperation with the Ministry of Foreign Affairs in taking actions ...” If the Thai Embassy here would like a copy, I could have one ready which includes both the roundtable discussion and the footage in which Abhisit is holding a microphone and talking. I wish to make a note here to you all that among all Thai Prime Ministers, only Abhisit Vijiaviva, who happened to have claimed to use military forces with Cambodia.

This is a grave matter and a serious humiliation not only for the Cambodian nation but also the UN Charter. Secondly, with regard to what is said by HE Kasit Phiromya, Thai Foreign Minister, demanding urgent resumption of meeting of Joint Border Committee within the framework of the MOU 2000, I must clarify that any foreign minister level meeting could be held only after the Thai parliament ratifies the three minutes of previous discussions.

There will be no discussion as long as the three documents have yet to be ratified. I would allow, however, for such a meeting of JBC because the meeting would be presided by the two

Defense Ministers.

According to the news we got here the Thai parliament is to discuss four issues, three of which I could recall are: 1) Minutes of the negotiation between Thai and Cambodia on border issue, 2) Minutes of the negotiation on the Thai-Lao border, and 3) Adoption for loans by the Royal Thai Government from the World Bank and Asian Development Bank. I regret that on TV the yellow shirt tore up the paper on which has the signatures of HE Sok An and the Thai delegate, and the Minister of Brazil.

Thirdly, HE Abhisit declared that their presence at the Preah Vihear temple was to oppose to the MOU, which this Prime Minister assured will be raised at the General Assembly of the United Nations next month. My position is that since this matter is to be addressed to the General Assembly of the United Nations and the Secretary General of the United Nations, Cambodia would propose to the Secretary General of the United Nations to coordinate the matter. This is so because HE Abhisit said in his letter that he informed the Secretary General once last year and this year he is going to bring the matter up again. I will also have chance to inform the Secretary General of the United Nations too in his visit to Cambodia from October 27 through to 28 before his participation in the ASEAN summit.

No Use of Force – A Similar View

I have a point to agree with Abhisit too as he said “Thailand noted with pleasure the reassertion of the Cambodian Prime Minister that Cambodia does not have a policy of using force for solution with neighboring country. Thailand also has the same policy.” Since we are two of a kind, let's not use forces. How-

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 ever the problem remains when they said to send our military and civilians from the overlapping area of 4.6 square kilometers. I am not aware of where the said area is because in the map that is recognized internationally, especially the International Court in The Hague, there is no such thing as 4.6 square kilometers area.

Therefore, how on earth do I instruct my people to leave our land? They do not live on Thai land. Why did not they talk about their invading troops on July 15, 2008? If they were there long ago I do not bother asking this question. Did I ever demand for Borei Ram, Sisaket, Ubon, Surin, etc. which formerly belonged to Cambodia? All I did is to defend the Cambodian land that is mapped in scale of 1/100,000 in between 1933 and 1953, with a deposit in 1964 and 1970 at the United Nations, with Laos and Vietnam. With Thailand we depend on the French-Siamese treaties of 1904 and 1907. If we observe the map put out by the yellow shirt, Cambodia does not have even its own land and Preah Vihear is in Thai territory. The map is based upon the watershed.

Someone in the Thai parliament has even suggested sending in aircraft to bomb the area. They have gone this far. I must assure you that Cambodia is not using force to solve the problem but retains its rights to defend the country, territory and people. I totally deny what is called the overlapping area. There has been only area where Thai invaded Cambodia.

Let's Have International Involvement in Resolving Border Conflict

Any bilateral negotiation should be coordinated by a third party if the proposition for the international conference is not workable. We could call for the third

party observer who is the special representative of the United Nations Secretary General. Despite the fact that we have agreed to solve the issue bilaterally, the Thai side has opted to inform the Secretary General of the United Nations, while I never have said a word about that to anyone. They sent people to internationalize the issue in Spain and in Brazil (where the UNESCO's World Heritage Committee held its meetings) on the territorial conflict but they seem to be afraid of negotiation. Why else do not we talk together to the world?

An analyst in Singapore said about ASEAN to be used as a conflict resolution mechanism. ASEAN is also fine as long as there is an international third party to be a witness. Japan could also be ok. We cannot afford to meet and negotiate, and in the end all is to leave in vain. And because Kasit said he had helped explain to diplomats from eight other ASEAN member nations, it is even better to have ASEAN join in this mechanism.

We could invite foreigners to visit the place and if there is such thing as area where Cambodia "invaded" Thailand, and if there is proof that it truly is Thai territory, I would order them out within three hours. What I wanted to say here there is no need to be afraid of bringing the issue for international involvement.

By saying so I mean whatever form of international involvement will do, whether it be ASEAN, international conference, the United Nations, Special Representative of the United Nations, or fellow dignitary, such as President of Indonesia, who in fact have suggested his help. However I then assured him in our meeting in Beijing and in Singapore that the matter is to be solved bilaterally... ■

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 there will be two parallel procedures to follow up. First, we will respond accordingly to the invasion within our territory, and secondly, we propose convening urgent meeting of the Security Council, which three of their diplomatic representatives are here today – the United States, the United Kingdom and China. In the CPP plenum I talked to the Party members about whether we should bring the matter (Preah Vihear and related issues) up to the International Court in The Hague, and/or the Security Council of the United Nations. What we have done as of the time I sent the two letters is just to give them information.

The Press in Bangkok has made comments that Hun Sen had taken the matter too swiftly because the Prime Minister (of Thailand) made his comments in public but not yet official. How could they say so? It is the Prime Minister who said it. I apologize to the Thai Charge d'Affairs here that I have to touch on this issue because it is serious and could be a bloodshed issue. On July 15, when I was sick, there was this rumor that Hun Sen permitted for a day of anger against Thailand. I have no idea of what was about. I later asked the Phnom Penh Governor, from whom I got the information that only about eight people had gathered.

It is my wish to affirm that there was no 'anger day against Thailand' in Cambodia and because HE Suthep Thaugsuban, the Thai Deputy Prime Minister has said something about this, I would urge the Charge d'Affairs of the Thai Embassy to convey the message to him that he misunderstood Cambodia. The Phnom Penh Municipality gave no permission to such a gathering against Thailand in Phnom Penh. However, in Bangkok, Paris and Brasilia, there had been demonstrations, and the latest

one has been noted also with the presence of the Thai Prime Minister too. I have on the part of Cambodia repeated to Thai leaders – Abhisit, Suthep, Prawit and Kasit Phromya, that we would go for bilateral mechanism for the solution of the problem.

However, the bilateral mechanism is coming to a halt. Worse still, it has been maneuvered to put faults on Cambodia for lacking the will for negotiation. In this remark, I may ask a question in return as to who has and who has no will to do so. Has the Thai parliament ratified the three agreements by the foreign ministers? Thai sounded out they would like to send Suthep for a negotiation, so I get HE Hor Namhong, the Cambodian Deputy Prime Minister for such a meeting. I would attend a negotiation only with Abhisit, who is the Prime Minister. If they want to resume bilateral negotiation they have to ratify the minutes of the three foreign ministerial level meetings. Cambodia is waiting for this and they should not accuse Cambodia for lacking the will for negotiation. In fact it is the Thai side who has tried to internationalize the issue of Preah Vihear wherever they go, in Seville of Spain last year and again in Brasilia this year.

Besides that note, (they have also placed a condition that) negotiation will be taking place if Cambodia accepts that registration of the Preah Vihear temple into the list of World Heritages is the cause of tension. I have the duty to clarify this issue that tension arises not from the registration of the Preah Vihear temple into the world Heritages list but the invasion on Cambodia (by Thai troops) on July 15, 2008. They now want to annul everything – the maps, the French-Siamese Treaties and Conventions of 1904, 1907, MOU 2000. I doubt they could sign anymore accord or treaty with any others? They

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Administrative Expenses – To Get Back to 2.5% of GDP

As a matter of fact our expense on administrative staff has risen from 3.6% of GDP in 2008 to 4.7% in 2009, or about 44% of current expense for staff. So it is required to take necessary measure to return to the need for a stabilized macroeconomic stability. It is forbidden for any staff expense anywhere more than 4% of the GDP or 40% of the current expense, but we have in fact exceeded. We have to bring it down in 2010 to some 2.5% and 2.6% in 2011. Our measures will be varied and multi-pronged ones like in one department there consist of some 200 staff, if five staff retired, no recruitment will be allowed. They have to go on with fifteen staff. It is more effective to have less but efficient staff than to have large number of incapable staff.

In this instance, I wish to appeal to all institutions that in 2011 we do not plan to make sudden recruitment of large number of staff which would in return inflate our current expenses, and this will leave us with no financial resources to help with infra-structural development for our people. So for the years onward, out of five recruitments, only one new staff should be recruited. Our situation has evolved from making four (former) administrations into one, which I used to compare it to one small cooking pot for ten people, and then we had to cook in the same size of pot for twice the number. You may ask why? Only the State of Cambodia's administrations were making income to cover expense on staff and operation and its armed forces.

For example, in the field of education, there used to be so many staff working in office but thanks to our wisely correct policy of developing three different sets of fees 1) salary 2) pedagogical pay

and 3) overtime pay, we have been able to get more teachers out of office workers. This has changed our situation from more staff working in office rather than teaching. It is also true about medical staff, where, as I used to say, some 30% of our medical staff has been working for some 70% of our population in the rural areas, and some 70% of them have been working for 30% of the population in urban areas. It is a problem but we have to see that other issues need to be addressed when talking about this particular subject such as the need to develop and put in place roads, bridges, housing, security, etc.

After the (implementation of) national reconciliation, armed forces from all factions as well as their officials have to be merged into one list and their payrolls were all placed in the burden of the State of Cambodia alone. That is why I am saying we got to feed an increasing number of people for the same pot we had. It was so immense task for such coordination. While there were no customs or trade officers in some instances (for other factions), they provided us with a list of ones for integration. What could we say or do other than compromise? However, as we now have united our country and factions, it is time for us to observe the rule of law, and in this instance, at age of retirement, one has to accept it.

We have an example from Greek economic and financial crisis. They used financial policy to solve their political problem. Take for instance, in time of electoral campaigns, political parties always promise of salary increases, which because of unsound economic achievement, the country is overspending, thus making their state debt bigger. I would like to have your understanding on this issue of retirement and recruitment that while putting someone into re-

tirement with on-going 70% - 80% pay of his incumbent salary, and recruiting a new staff with 100% pay, the state is technically carrying both pays for the two staff. You must agree with me that our retirement budget from day to day will be bigger, whereas a challenge of recruitment will also have to be met.

It is important to review our state of financing or we may lose the balance between incomes and expenses. It is true that in the first six months of 2010, tax collection has increased at some 19% compared to the same period of 2009, but it is not a match to that of 2008 yet. In 2008, for the first six month of the year we had collected 1.5 billion, while in 2009, 1.1 billion and 2010, the up curve is 1.4 billion, which is still 5% lower than in 2008. Because the 2008 income had been large, our surplus was also big. Unfortunately, it dropped all of a sudden. Thanks to our savings, we have been able to keep a balanced financial state.

Decentralization – No Military & Diplomatic Aspects, No State within State

Going back to our topic once again I urge you all not to gain power over each other because everything we'd do is for the people and nation. It is true that HE Sar Kheng urged all of us to continue learning and understanding on the Organic Law and national program for sub-national democratic development. I also urge the Royal School of Administration and the Military School of Political Studies to take up the role of disseminating the above documents, while envisioning the need for liberating oneself from aspect of power gripping by ministerial level persons, and being bold in transferring power to the sub-national level authorities.

However, I would like to have your attention on one issue. Hav-

ing said all the above, it should not be understood to have a green light for establishing a federation like system or own military forces or own diplomatic representation in negligence of the central decision. Power could be offered only on some aspects while none of the above – establishing own military forces and/or diplomatic representation and decision – would be allowed. Any Governor found to have committed these would be stripped off his position. For example if one thinks that decentralization of power automatically allows the set up in his/her authority the foreign office, take for instance the Taiwan Representation Office, one will have to bear consequences. Cambodia is observing One-China policy, whereas Taiwan is just a province of China. Therefore, autonomy here does not mean complete independence or allow for a state in the state at all.

Cambodian-Thai Border Issue – Two Letters to the United Nations Bodies

There is one other issue that I am sure you all are aware of already. It was the fact that I have sent two letters to the President of the Security Council of the United Nations and the President of the General Assembly of the United Nations for information among state members. They were both sent with the mark "Very Urgent" because the Prime Minister of one country has threatened to use forces against another. That is not a simple matter. In the letters Cambodia reiterates its position of using no forces against any country but holding firmly the rights to take up arms in self defense and in its territory only. Cambodia does not know where the 4.6 kilometer or overlapping area is. If they wish to use force to evict us, we have no other choice but to face them.

Once the armed clash breaks out
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