

MAJOR WORLD EVENTS — FEBRUARY 1988

1st — Poland. The zloty was devalued by nearly 16 per cent against the US dollar, while price increases averaging 40 per cent for food and 27 per cent for retail prices generally were introduced amid only minor protests.

1st — Romania. Demonstrations were held outside Romanian diplomatic missions in several European capitals and in New York to draw attention to economic austerity and political repression experienced by the Romanian people.

1st — Soviet Union. It was announced that Georgy Malenkov, who had been a close associate and briefly the successor of Marshal Stalin as Communist Party leader in March 1953, had died in late January.

1st — Turkey. The Socialist Party, first overtly socialist political party since the 1980 coup, was formally established.

1st-15th — Finland. In the country's first direct presidential elections Mauno Koivisto failed to win an outright majority in the first poll on Jan. 31-Feb. 1; he polled 47.92 per cent, the rest of the vote being divided between Paavo Väyrynen, leader of the opposition Centre Party, Harri Holkeri, the Prime Minister, and two rival communist candidates. In two rounds of indirect voting on Feb. 15 by a 301-member electoral college (also elected on Jan. 31-Feb. 1) Koivisto was then re-elected and began his second six-year term of office on March 1.

1st-21st — Laos-Thailand. Fighting intensified in early February between Lao and Thai troops in a disputed hill region on the Phitsanulok-Sayaboury land border. Talks were held in Bangkok (the Thai capital) on Feb. 16-17 between delegations led respectively by Gen. Chaovalit Yongchaiyut, the Thai Army C-in-C., and Gen. Sisavat Keobounphan, the Lao Army Chief of General Staff, resulting in the signing of a ceasefire on Feb. 19 and the withdrawal of troops from the battle-line two days later.

2nd — Canada. Michel Côté, Minister of Supply and Services, was dismissed for violating government guidelines on conflict of interest by failing to report a personal loan.

2nd-6th — India. Legislative Assembly elections were held in the north-eastern states of Tripura and Meghalaya on Feb. 2. In Tripura a Congress (I)-led coalition secured a majority of seats and formed a government on Feb. 5, while in neighbouring Meghalaya a Congress (I) government was formed on Feb. 6 despite winning only 22 out of 60 seats [see 35774 A].

2nd-19th — Lebanon. A French intelligence agent, Jacques Merrin, was killed in east Beirut on Feb. 2. A Norwegian and a Swede working for the UNRWA relief operation were kidnapped on Feb. 5 (but released on March 1), while on Feb. 17 a US Marines officer working for the UN was kidnapped south of Tyre. A statement released in Beirut on Feb. 19 and purportedly issued by the Organization for the Oppressed on Earth claimed that the officer, Lt.-Col. William Higgins, was a CIA agent, but this suggestion had been strongly denied by the US government.

3rd — Taiwan. The ruling *Kuomintang* approved a plan for a major restructuring of the country's legislature, including the phasing out of "life-term" members elected to represent constituencies on the Chinese mainland and a corresponding increase in members elected to represent "government-controlled areas".

3rd-18th — United States. The Senate unanimously confirmed Judge Anthony Kennedy as an associate justice of the Supreme Court [see 35701 A]; he was sworn in on Feb. 18.

4th — Soviet Union. The Supreme Court approved the posthumous judicial rehabilitation of 10 former prominent members of the Soviet leadership (including former politburo members Nikolai Bukharin and Alexei Rykov) who had been found guilty of treason and sentenced to death or to long labour camp terms in a 1938 show trial.

4th — Yugoslavia. Budimir Loncar was sworn in as Federal Secretary for Foreign Affairs [see page 35731].

4th-5th — Nicaragua. The US House of Representatives on Feb. 4 voted by 219 votes to 211 to reject President Reagan's request for contra aid worth \$36,200,000, one-tenth of it in direct military assistance. The following day it was reported that Alfonso Robelo had withdrawn from the leadership of the Nicaraguan Resistance (*Resistencia Nicaragüense*—RN) although he stated that he would continue the "political struggle against the Nicaraguan Marxist regime".

4th-8th — Libya-Tunisia-Algeria. The Libyan leader Col. Kadhafi visited Tunis on Feb. 4-6, underlining the re-establishment of good bilateral relations [see 35801 A], and then travelled to Algeria prior to the holding of a tripartite summit with Presidents Chadli and Zine el-Abidine Ben Ali in the Tunisian village of Sakiet-Sidi-Youssef.

4th-15th — Malaysia. The United Malays National Organization (UMNO—the dominant political party in the governing coalition) was declared an "illegal society" under the country's Societies Act on Feb. 4. The ruling was made in response to a writ filed in June 1987 by UMNO dissidents opposed to the leadership of Datuk Seri Dr Mahathir Mohamed (the Prime Minister). On Feb. 13 UMNO was officially de-registered and two days later Dr Mahathir was given permission by the registrar of societies to register a new political party, UMNO (*Baru*) [see 35772 A].

4th-20th — Bulgaria-Romania. As a result of pollution of the Bulgarian town of Ruse by a cloud of chloric acid emanating from a chemical plant across the nearby border with Romania on Feb. 4, the Bulgarian and Romanian Prime Ministers agreed on Feb. 20 to take joint measures to prevent cross-border atmospheric pollution.

5th — United States. The Republican-controlled Arizona state legislature voted by 46 to 14 to impeach the state's Republican Governor, Evan Mecham, on charges of "high crimes, misdemeanors and malfeasance in office".

5th-18th — Turkey. A military court in Diyarbakir on Feb. 5 sentenced 20 members of the outlawed Kurdish Workers' Party to death and 13 others to life imprisonment for alleged separatist activities. On Feb. 18 around 2,000 prisoners at a military prison in Diyarbakir ended a 10-day hunger strike after the authorities acceded to their demands for improved conditions.

5th-26th — Panama-United States. The US Justice Department on Feb. 5 unsealed two indictments charging Gen. Manuel Noriega, Panama's military leader and de facto ruler, with involvement in international drug trafficking. The resignation of Noriega as Commander of the Panama Defence Forces to facilitate investigations into his alleged drug trafficking activities was ordered by President Eric Delvalle on Feb. 25. However, declaring the President's actions unconstitutional the Panamanian Legislative Assembly several hours later resolved to dismiss both Delvalle and Vice-President Roderick Esquivel; the Education Minister, Manuel Solís Palma, was installed as Minister in Charge of the Presidency of the Republic the following day.

5th-29th — Kenya. The National Assembly was dissolved on Feb. 5 in preparation for a general election in March. Candidates for seats in the Assembly were chosen on Feb. 22 by means of a controversial queuing system, and President Daniel arap Moi was on Feb. 29 proclaimed President for a third five-year mandate, following his nomination two days earlier as the only candidate by the sole legal party, the Kenya African National Union (KANU).

6th — Latin America. During a summit meeting held outside Colonia, Uruguay, Presidents Alfonsín of Argentina, Sarney of Brazil and Sanguinetti of Uruguay expressed their decision "to intensify reciprocal relations" and to "expand and strengthen" tripartite co-operation. Argentina and Brazil, in addition, expressed satisfaction over a decision by the Uruguayan government

previous practice whereby firms turned over their income to the government and relied on it to pay their bills. Mixed state-private enterprises, co-operatives and private companies would be taxed according to fixed rates based on profit. On July 23 the Council of Ministers issued a directive relaxing controls on domestic and foreign trade: checkpoints at provincial borders were lifted and provinces were permitted to trade directly with foreign countries. The government devalued the Lao currency in September 1987, from an official rate of US\$1.00=35 kip to US\$1.00=350 kip, only slightly below the black market rate.

An editorial in the LPRP daily newspaper *Pasason* of May 7, 1988, claimed that 186 out of 377 state enterprises had switched to the "socialist business accounting mechanism", under which they were required to make a profit and their managers were given increased freedom to set prices and salaries. In a bid to attract foreign capital to develop the Lao economy, the SPA on July 25, 1988, approved a law on foreign investment.

The official Khaosan Pathet Lao (KPL) news agency announced on Jan. 20, 1988, that the national rice yield for 1987 had only reached 80 per cent of the annual production target of 1,200,000 tonnes. The decrease in rice production had been due to a "devastating drought" in the northern provinces between June and September 1987. Agriculture Ministry officials reported that the 1988 harvest would be nearly 20 per cent lower than in 1987, causing a shortfall of some 297,000 tonnes of rice. In mid-October 1988 provincial elections were postponed because of severe drought in the central and southern provinces [see also above].

Outbreak of fresh hostilities along Lao-Thai border

Heavy fighting broke out in late 1987 between Lao and Thai troops in a hill region where the Lao-Thai border was disputed. The clashes continued until February 1988 and, on a number of occasions, threatened to escalate into a major conflict. The dispute constituted the most serious Lao-Thai border incident since the formation of the LPDR in 1975. Previously, the most serious incident had stemmed from a currently unresolved dispute over the sovereignty of three villages on the northern section of the border, which had started in March 1984 [see 33662 A; 34619 A].

The events leading up to the late 1987 dispute began in May 1987 when Laos accused Thailand of massing troops in an area near the northern land border (where the western Lao province of Sayaboury met the northern Thai province of Phitsanuloke) to protect illegal logging activities. Subsequently, Lao troops allegedly launched a series of attacks on Thai loggers, a number of whom were killed. In August, Thailand claimed that some 200 Lao troops had attacked a Thai paramilitary "hunter soldier" (*Thahan Phran*) post at Ban Rom Klao. The territory under dispute covered some 80 square kilometres and was made up mostly of forest-covered hills. Both countries claimed sovereignty of the area on the basis of a 1907 Franco-Siam treaty, which defined the border in the disputed area as the Hoeng River, which actually ran well to the east of the area of conflict. However, the Hoeng River had two tributaries, the Hoeng Nga and the Hoeng Parman, each of which was taken as a demarcation, the first by Laos and the second by Thailand, thereby giving rise to the dispute.

Lt.-Gen. Siri Thiwapart, the Commander of the Third Thai Army, launched operation *Soi Dao* in November 1987 with the aim of clearing the disputed region of Lao troops. On Dec. 15, Thai F5 fighter planes bombed Lao positions in the region and, according to Lao officials, simultaneously fired artillery shells up to 10 km into Sayaboury province. By mid-January 1988 Thai forces claimed to have regained control of over 70 per cent of the ground around Hill 1428, where much of the fighting was concentrated. Despite frequent aerial attack, Lao troops remained dug-in on strategic high ground and the majority of Thai casualties resulted from close combat or land-mines. Official Lao radio broadcast reports in early January of large anti-Thai demonstrations in Vientiane and Sayaboury. Outbursts of anti-Lao demonstrations in the Thai provinces bordering Laos were thought to have been fuelled by growing domestic pressure for a decisive military victory to end the dispute. In early February, military activity in the region intensified, the Thai Air Force launching heavy strikes against

Lao positions on Feb. 1-2. Laos claimed to have shot down three Thai fighter planes during subsequent sorties; Thailand side only admitted to the loss of two aircraft, on Feb. 4 and Feb. 14. According to the *Far Eastern Economic Review* of March 10, the Thai military had officially confirmed that Thai jets had mistakenly attacked their own soldiers on a number of occasions. Lao soldiers were still positioned in the disputed region when military leaders from both sides signed a ceasefire agreement on Feb. 17 [see below]. This led a number of commentators to suggest that the Thai forces had performed unsatisfactorily against their numerically weaker Lao counterparts. According to unofficial reports, some 700 Lao and Thai troops had been killed during the dispute.

Talks were held in Bangkok on Feb. 16-17 between Gen. Sisavat Keobounphan, the Chief of the General Staff of the Lao People's Army, and Gen. Chaovalit Yongchaiyut, the C.-in-C. of the Thai Army, at which a ceasefire agreement was signed, calling for both countries to begin political talks to resolve the conflict within 15 days. Both sides effected the ceasefire on Feb. 19 and two days later they pulled back 3 km from their line of contact.

According to the *Far Eastern Economic Review* of March 3, the former Thai Prime Minister, Gen. Kriangsak Chamanan, had who had visited Vientiane in the second week of February for talks with Kaysone Phomvihane, general secretary of the LPRP and Chairman of the Council of Ministers, had been instrumental in bringing the two sides together for talks. Gen. Chaovalit visited Vientiane on Feb. 23-24.

Post-ceasefire political talks held in Bangkok on March 3-4 and Vientiane on March 17-18 ended inconclusively, and as of late October no third round had been held. However, Gen. Sisavat paid a further visit to Bangkok in mid-October.

Despite the still unresolved "three villages dispute", relations between the two countries had appeared to improve in late 1986. A senior Thai delegation had visited Vientiane in late November 1986 and during talks both sides had agreed to halt propaganda attacks against each other. Talks at governmental level continued in March 1987, when a Lao delegation led by the Deputy Foreign Minister, Souban Salitthilat, paid a visit to the Thai capital, Bangkok. Prior to these talks, on Feb. 18, the Thai Foreign Trade Department had issued an order reducing the number of "strategic goods" banned for export to Laos from 273 to 61. In September 1987, the two countries had signed a new agreement providing for the sale by Laos to Thailand of electricity generated at the Nam Ngum hydroelectric plant [for 1982 agreement see page 31830].

Relations with China - Exchange of ambassadors

A visit by Liu Shuqing, the Chinese Deputy Foreign Minister, to Laos in late December 1986 marked the first high-level diplomatic exchange between Laos and China since the deterioration in relations in 1979 when Laos sided with Vietnam in the Sino-Vietnamese conflict [see 31222 A]. Kamphai Boupha, the first Deputy Foreign Minister of Laos, visited China on Nov. 24-30, 1987. On the final day of the visit it was announced that both countries had formally agreed to restore friendly relations and exchange ambassadors.

On his return to Vientiane, Kamphai stated that the Chinese side had promised to refrain from supporting "Lao reactionaries in exile in their anti-Lao government activities". In late May 1988 Lao and Chinese ambassadors were posted in Beijing and Vientiane respectively.

Bomb explosion in Vientiane during visit by Soviet Foreign Minister

Eduard Shevardnadze, the Soviet Foreign Minister, paid a visit to Laos on March 8-10, 1987, towards the end of a comprehensive tour of the Asian-Pacific region [see page 35070].

A powerful bomb exploded outside the Soviet Information Centre in Vientiane early on March 9. According to diplomatic sources in Bangkok, the bomb had gone off early, having been set to explode during an evening visit to the Centre by Mr Shevardnadze. One Laotian was killed and another seriously injured by the explosion.