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PDI congress opens in chaos, 17 hurt

PALU, Central Sulawesi (JP) Violent clashes erupted at the opening of the Indonesian Democratic Party (PDI) congress here yesterday when hundreds of loyalists of ousted leader Megawati Soekarnoputri tried to force their way into the venue tightly guarded by security men from the government-backed party faction.

When Minister of Home Affairs Syarwan Hamid opened the gathering at the haj dormitory on Jl. Supratman, the clash intensified. The two camps exchanged harsh words and threw stones at each other for about 15 minutes, prompting the Armed Forces to fire volleys of tear gas as well as rubber bullets to disperse the scuffling crowd.

Public transportation drivers stopped operating. Razak, one of the drivers, said he preferred to lose a day's earnings than have his car smashed up by a mob. Besides, "...not many people are venturing out of their houses in need of public transportation, anyway," he said as quoted by Antara. "These past two days, our earnings have declined."

Despite the fact that many see the Palu congress as yet another of Soerjadi's maneuvers, some actually hope that it could turn out to be the venue for the two camps' reconciliation. It has been reported that many of the 800 official participants to the congress have now changed their stance and are supporting Megawati.

Yvonne Kaseke, the chairwoman of the Palu PDI branch, said she believed Megawati had a great chance to be elected Soerjadi's replacement despite her absence from the congress. She pointed out that some branches' activists had actually started campaigning for her. "At least five branches in Central Sulawesi have said they plan to nominate her when election time comes," Kaseke was quoted by Antara as saying.

What's inside: Parties Sofjan to gather businessmen to help parties. Boat Seven down, 12 missing after packed boat capsizes. Farmers Government should give incentives to farmers. Airfare House approves 100% airfare increase: INACA



SHIELDING SOERJADI: Riot police cover behind their shields as they weather a hail of stones from supporters of Megawati Soekarnoputri, the ousted leader of the Indonesian Democratic Party (PDI), outside the venue of the congress organized by her government-backed party rival Soerjadi.

Investigator says Prabowo could be court-martialed

JAKARTA (JP) National Military Police Corps Commander Maj. Gen. Syamsu Djalal said yesterday the Armed Forces (ABRI) fact-finding team now had the evidence with which to press Lt. Gen. Prabowo Subianto with criminal charges in the abduction of political activists.

"Prabowo's testimony before members of the Officers Honor Council that he was involved in the abductions of nine activists (who have since resurfaced) could be used as an evidence to bring him before a military tribunal," Syamsu told reporters at his office in Central Jakarta.

Syamsu also dismissed speculation that the abductions were part of an intelligence operation to safeguard national stability and order. "Had the abductions been part of an intelligence operation, the Armed Forces Intelligence Agency (BIA) would have been informed about them."

Munir also called for a transparent investigation into the abductions of the political activists. "Syamsu has asked the public to give the team of investigators any information, but in return he must announce any progress in the investigation."

World Bank pans govt subsidy program

JAKARTA (JP) The government's huge subsidy commitments are unsustainable and could lead to economic disaster if the policy is not revised, a senior World Bank official warned yesterday. World Bank Indonesia director Dennis De Tray said the government must carefully set a clear focus in its fiscal program. "Subsidies are clearly not sustainable," he said at a capital market conference, warning

that the program, if not revised, could lead to economic disaster in the long term. He added, however, that the World Bank and the International Monetary Fund fully supported the subsidy programs for the short term to help the poor survive the economic crisis.

The government has allocated a huge amount of funds to subsidize basic staples, such as fuel, rice, wheat flour, cooking oil, medicines and sugar, in its current budget ending in March 1999. The subsidies are largely responsible for creating a record deficit equivalent to 8.5 percent of the gross domestic product projected for the deficit budget.

De Tray noted that Indonesia must not only address its capital outflow problem but also the increasing level of human capital being drained due to worries that social unrest like that seen during the May riots could recur. "Reversing capital outflow is an important element to recovery, but the key issue is the entrepreneurial capital flight, which is a major loss to the country," he said, adding that the key to solving the problem was to restore confidence.

He said subsidies for cooking oil, flour and fuel were not necessary because they were not essential for the poor to survive the crisis. De Tray noted that Indonesia must not only address its capital outflow problem but also the increasing level of human capital being drained due to worries that social unrest like that seen during the May riots could recur.

More major bank restructuring planned

JAKARTA (JP) The government plans another series of major bank restructuring measures later this year when all banks have to meet the new minimum 4 percent capital adequacy ratio requirement (CAR), Minister of Finance Bambang Subianto said yesterday.

Bambang declined to specify what measures would be taken against banks which failed to meet the CAR requirement because the bank audits had yet to be completed. Bambang added that the fate of 38 private banks currently under the supervision of the Indonesian Bank Restructuring Agency would be decided next month after a complete audit of them had been implemented. He also said another round of bank suspensions was a possibility.

Analysts said that domestic banks may find difficulties in meeting the CAR requirement as they lacked the cash needed to boost their capital to offset the increasing level of their nonperforming assets. Bambang declined to specify what measures would be taken against banks which failed to meet the CAR requirement because the bank audits had yet to be completed.

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Bakin under fire over statement on rapes

JAKARTA (JP) Scholars and observers strongly criticized the head of the State Intelligence Coordinating Board (Bakin) Lt. Gen. (ret) Moetojib yesterday for his remark that reports of gang rapes during the May riots had been exaggerated to undermine the government.

"It's against all rules and ethics (for him to say that) since the fact-finding team is still investigating the matter," she said. "Didn't Moetojib know the investigation team was set up by the government?" Melly said.

The fact-finding team is led by Marzuki Darusman, deputy chairman of the highly respected National Commission on Human Rights. Reacting to Moetojib's statement, Melly G. Tan from the Atma Jaya University sociology

research center said: "I was appalled... he should not have said such things. I strongly object to that." "It's against all rules and ethics (for him to say that) since the fact-finding team is still investigating the matter," she said.

Acting PM Chernomyrdin in favor of coalition govt



MOSCOW (Agencies) Acting Russian Premier Viktor Chernomyrdin said yesterday he was in favor of building a broad coalition government that included members of Russia's opposition parties, news agencies reported. "It is necessary to form a government of accord," Itar-Tass quoted Chernomyrdin as saying after meeting with a leader from the centrist Russia's Regions faction.

The Interfax news agency had reported Monday that Chernomyrdin promised State Duma speaker Gennady Seleznyov that he would form a coalition government to help Russia through its economic crisis.

Yeltsin fired his liberal-dominated cabinet Sunday and gave Chernomyrdin, a former Soviet apparatchik who had served as premier for five years, broad powers to draft a new cabinet to his liking. Chernomyrdin, who is holding a flurry of meetings with parliament leaders before his confirmation hearings open next week, said the economy is sure to improve soon.

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THIS ODD WORLD...

Even ghosts hit by economic crisis SINGAPORE (DPA) Even ghosts cannot escape the economic crunch currently hitting Singapore, as living Singaporeans are forced to cut costs on sacrifices for the restless dead during this year's traditional Chinese Hungry Ghost Month, which started last week.

percent from last year's \$890,000 (US\$52,941). "Each year we try to have bigger, better celebrations. But this year, we are cutting costs because of the economic crisis," Choo said. Choo's ghost party, held in a suburb of the city-state of Singapore, usually includes a lavish stage show with Chinese singers, sometimes flown in from Taiwan or Hong Kong.

Nuns go rapping in name of Lord ROME (DPA) A group of 100 Italian nuns will be stepping out in Rome on the weekend in a specially choreographed rap session designed to get young people interested in Christianity, the newspaper Messaggero reported Monday. To prepare for the event, the nuns from the Order of Daughters of Mary Help Christians have been taking lessons in the jerky, spoken word pop style from professors such as the Italian rapper J-Pop.

is sacrificed to ghosts, for a donation to charity and for the next year's fete. "Each year we try to have bigger, better celebrations. But this year, we are cutting costs because of the economic crisis," Choo said. Choo's ghost party, held in a suburb of the city-state of Singapore, usually includes a lavish stage show with Chinese singers, sometimes flown in from Taiwan or Hong Kong.

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