

# The Defacto Gazette

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## The Last President



№388

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Mongolia chose its fifth president just before Naadam. Democratic Party candidate Battulga Khaltmaa secured his win in the run-off elections by receiving votes from less than one third of all eligible voters. The new president is a former world champion of sambo, a painter, and a billionaire, who was elected as member of parliament three times and worked as a minister twice.

At his inauguration, the new president promised to uphold the rule of law, fight against trading government posts, and abolish the corrupt system where the few become wealthier and the people get poorer.

### Trampling on the rule of law

The rule of law is the very foundation of the democracy and free market economy Mongolia is building. It starts with the right to private property and the freedom to benefit from the value you have created. The law not only en-



sures security of people and protects their property but also requires people to meet their obligations, brings stability to society, safeguards people's faith, and directs appropriate response to political and social stress.

However, this presidential election clearly showed that Mongolian political parties have been stamping on the rule of law and making a joke out of the people, despite their obligation to comply with and strengthen the rule of law.

Having led the government either on their own or in coalition with each other in the past years, the Mongolian People's Party (MPP) and the Democratic Party (DP) have once again broken the election law when they tried to win people's votes with money during the presidential election.

The war of promises was started by the ruling party MPP when they passed

laws to allow single-headed households to receive stipends, and bring down the retirement age. As a response, the DP declared it would make the government pay off the debts people owed to commercial banks. Although people did not really believe this promise, it still created a lot of expectations. The MPP government reacted by making a decision to distribute the 49 percent of Erdenet shares to the people. A day before the election they followed it up by distributing 161.5 billion MNT as stipend to children, which violated the terms with the International Monetary Fund and was carried out without making budget amendments.

During the election, both parties were disclosing information about each other and revealed evidence on how they were spending tens of billions of tugrugs to buy people's votes. It was interesting to see the DP put so much emphasis on how the MPP used law enforcement when they spent the money illegally.

Although a lot of documents, footages, and records were disclosed, our judicial system, which is supposed to be the guardian of the law, kept silent throughout the campaign.

### Ascertaining the parliamentary system

This election was like a cold shower for both the MPP and DP. Having internal struggles, the MPP has started attempting to change its leadership. On the other hand, the DP is having internal coalitions who are silently fighting with each other over the positions that are appointed by the president.

|| On page 2

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► **Continued from page 1**

Most likely, the first round will be changes to the leadership of the Independent Authority against Corruption and the General Intelligence Agency, which is likely to be followed by the replacement of dozens of people who were given positions in state-owned companies. Moreover, many judges will be replaced and a lot of changes are expected in Mongolian diplomatic units abroad. Hundreds of members of the Mongolian Democratic Union, including the head of the union, are eagerly waiting for these changes to happen. The new president will get his broom out and sweep clean all the government positions that he can influence.

However, this sweep is nothing compared to the next big move from the MPP. Today the MPP has a historic opportunity to make amendments to the constitution without receiving permission from anyone, given they have 85 percent of parliament seats. A decision was made last spring to hold a public referendum within 2017 to make amendments to the constitution. The Mongolian presidency is more of a symbolic role, and the MPP has already lost it to the DP. The MPP must keep in mind it has been several years since ideas emerged to replace presidency with a second legislative house. It is highly likely that the 700,000 people

## The Last President

who did not vote in the election, together with the 100,000 people who submitted blank ballots, would welcome a constitution amendment of this nature. The amendments to the constitution are already included as an agenda item for the autumn session of the parliament.

The MPP and DP have come across their last chance to reform, develop their internal democracy, reveal their political party financing, and understand they cannot catch up with the requirements of Mongolian social development today without getting rid of their mafia management and processes.

### Lessons from the election

If you look at the bigger picture of this presidential election, its process, outcome, and influence, Mongolian democracy has had several lessons. First of all, people have understood that they can make a ‘white choice’ to express they do not support

**First of all, people have understood that they can make a ‘white choice’ to express they do not support anyone.**

properly and why those obstacles need to be removed. For example, it was clear true leaders do not emerge when political parties do not have internal competition and adopt a fair process to select their candidate.

The run-off election was held because none of the candidates managed to receive enough votes in the first election. Holding another election cost 7.2 billion MNT, which could have funded the construction of 15 kindergartens with 50 beds. It was a big expenditure for a weak economy as ours.

Also, having understood what influences are imposed when candidates or party leaders own a TV channel (C1, TV9), people clearly felt the need for independent press. Instead of organizing a debate that discusses about issues, the Mongolian National Broadcaster asked candidates prepared questions, to which they received prepared answers. It was not a debate, but an interview.

The people, including ordinary members of both the MPP and DP, are waiting for the election campaign financing to be disclosed and validated, after which the court should decide if there are any measures to be taken.

Mongolia needs to set clear boundaries on the power of presidency and strengthen its parliamentary system. If the MPP and DP ordinary members cannot reform and revive their political parties as political leaders, a third party will inevitably fill the huge gap that is seen in our political spectrum today.

In any case, the last president who has more power and special authorities has begun his work.

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## DEFACTO INTERVIEW



*Buzz Aldrin, The second person to walk on the moon, former astronaut*

**B**uzz Aldrin: When my father finished MIT, he went to the Philippines and he met my mother. Her name was Marian Moon. So, perhaps I had my destiny already set for me. I felt that I had been so lucky in my life, for example, my mother was born in the same year the Wright brothers flew. My father participated in the Second World War as an air force colonel but later he left. And of course, I flew airplanes. I was in the Korean War towards the end and destroyed two enemy aircraft. I would have been in the Vietnam conflict but instead space beckoned. And, I went to MIT, and then was selected as an astronaut in 1963.

The Mercury program with one astronaut was over by that time.

My very good friend Ed White was the first American to float in space in 1964 in the second Gemini spacecraft with two people in it. Ed White was a very close friend of mine. He was one year behind at the Military Academy at West Point. He was very instrumental in my getting into a very spirited fighter squadron. That was long time ago, 1956 to 1959. We had a wonderful squadron commander. I invited him for a reunion in Florida where I live now. He is 96 years old but very very spirited. My first space flight was the last flight of the two-men Gemini

flight, Gemini 12. I flew with Jim Lovell. We did several rendezvous and originated the procedures for rendezvous at MIT. I was called "Doctor Rendezvous"!

Again, I was very fortunate, because I was in the right place at the right time. Neil Armstrong and I were a backup crew for the first flight that orbited the Moon, Apollo 8. And so, lucky again, Neil Armstrong, Michael Collins and Buzz Aldrin were given the great honor to be the first to attempt a landing on the Moon. And, of course we were lucky again though we were very skillful and landed on the Moon.



I think that the words that were left on the Moon with the lander summarized very completely what Apollo was all about. And it said “we came in peace for all mankind”. After going around the world and meeting kings, queens and a few dictators, my children finally got out of school. So, I went to my assignment not at the Air Force Academy but I was a commander of the test pilot school which was strange. Because I had never gone through the test pilot school.

I began to look at new things to do in space. Not just rendezvous, I could do that, but, could we go to the Moon and come back to the earth, go back out again and back again? Yes, I discovered that we could do that. But NASA was not impressed. So, a very great leader who was the leaders of NASA we went to the Moon said to me “don’t worry, why don’t you use gravity assist between the earth and Moon and use it between earth and Mars”?

That was in 1985, 32 years ago like that. And, I have been working on cycling pathways or orbits to Mars ever since then.

And, now my program for the future is called cycling pathways to occupy Mars.

And, the pathway is a cyclor going around the earth. A cyclor that goes from the earth around the Moon and back, and out and back again. It is an Earth-Moon cyclor. Then, a cyclor that goes around the Moon and controls many activities on the Moon, where I am strongly suggesting that we have a global organization called an Earth-Moon-Mars Coalition of the nations that now are capable of going to the Moon and beyond. That is, the United States NASA will bring together the European Space Agency, the ROSCOSMOS, Russians, JACSA, the Japanese and the Chinese. Those five nations will begin to execute from earth orbit activities on the Moon and prepare very carefully to be able to go to Mars much more easily. Going to the Moon allows building partners. It is very important to build partnership between these these five nations, but more nations will come and join us.

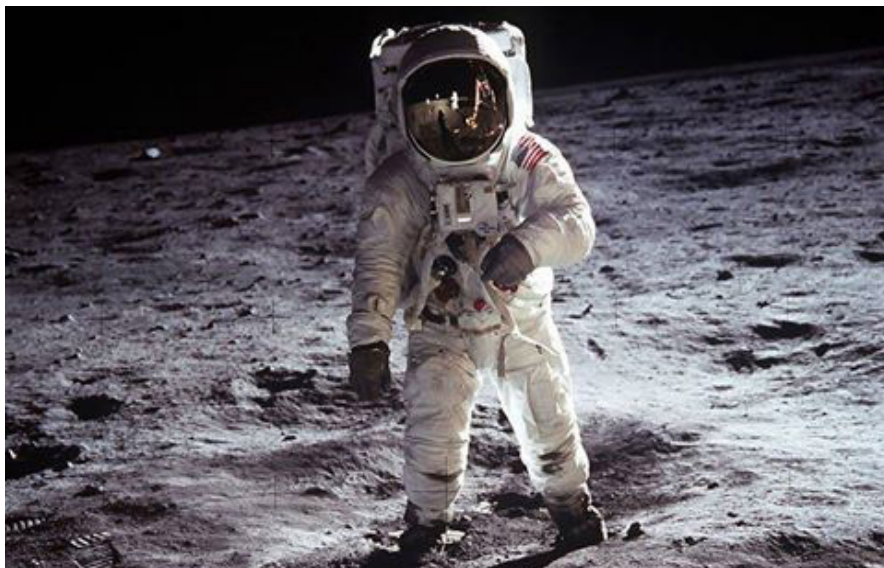
**Defacto: So please tell us about your famous walk. Many people**

**wrote about that. What was your feeling? Was it easy? Where was the oxygen coming?**

**Buzz Aldrin:** We were trained for that mission over 6 months. We knew that we were going to be part of Apollo 8 and we were thinking about what it would be like. One flight was taken around the moon, which didn’t land. So we came later as Apollo 11 with Neil Armstrong and Michael Collins. We were trained well about the surface and the surroundings so it wasn’t a surprise at all. The most moving moment was the landing on the moon when our light comes on and then I said to Neil “Contact light”. Those were the first words, but not the famous ones. The famous words were “Houston Tranquility Base, the eagle has landed”. And we were the eagle of course.

**Defacto: The first ship couldn’t land. How did you land a moving ship on to the moon?**

**Buzz Aldrin:** We separated on the far side of the moon. And then came down to the lower altitude on the front side.



horizon was very clear. It is nothing like here on earth, not even Mongolia! My second word was “desolation”. “Magnificent desolation”, because there was just no life, and it still is not a good place to live, you would need a lot of things to help establish life there.

**Defacto:** My last question is about the ongoing talk to exploit moon to take minerals etc. What is your position on this matter? Is it possible? Is it feasible?

**Buzz Aldrin:** We are human beings, we are curious and we want to explore. So I think this is a new horizon or opportunity of going out into the universe.

**Defacto:** So we should go?

**Buzz Aldrin:** Sure.

**Defacto:** We should mine minerals and bring it to earth.

**Buzz Aldrin:** There is a lot of scientific research. The most important substance initially is ice, water. Because we can drink the water, and it has hydrogen and oxygen and it could be used as rocket fuel. So we can refuel the landers to go up and down and learn how to refuel, and go back and forth to Mars. Therefore, water is the initial most valuable mineral there is. But there probably isn't anything that you could bring back to earth unless it is in a significant quantity. There is a small amount of diamonds, and gold which could be of value and of course people will be happy to buy something from the moon. But the cost of going there to get it and coming back is still very high.

A Book that I wrote in 2010 is called “No Dream is Too High”. I will add to that no dream is too high for those with their eyes in the sky.

*Full interview available here:*  
<http://bit.ly/2gWGbv5>

▶ **Defacto:** When you land was the ship moving? 40 pounds in 2 boxes.

**Buzz Aldrin:** We started the engine for descent and it took around 11 minutes of descent.

**Defacto:** Once you touched down and said the famous words and decided to go out, there was no oxygen, was it difficult to walk?

**Buzz Aldrin:** We had a big backpack that supplied the oxygen and the cooling water.

**Defacto:** How did you walk out from there?

**Buzz Aldrin:** We had to open the hatch to depressurize our cabin so it became a vacuum and then we could get out from the ship. Neil Armstrong backed out feet first, went down by ladder and I watched him by the window. We had a very modern invention called a clothesline with a pulley, so I sent the camera down to Neil because we needed a rope to move things up and down. There were heavy boxes with rocks in to take back to earth but they were too heavy to take up the ladder.

**Defacto:** So how did you take the stones out? It was weightless, but heavy?

**Buzz Aldrin:** Well the rocks' weight here on earth would be around

**Defacto:** But there it is 6 times lighter. After you came back, people were surprised and asked lots of questions; even you punched one guy. How do these kind of controversial attacks make you feel today?

**Buzz Aldrin:** Well it was many years, about 48 years, ago. Many people are not living anymore but I am very strong and active. When I came back from the moon, I was still working at NASA I was waiting for my children to graduate from school, so that we could travel around the world to meet the kings, queens and even the dictators from different countries.

**Defacto:** What questions did they ask you about yourself and the moon? What are they most curious about?

**Buzz Aldrin:** Well it's a natural question. They want to know how it feels like to be on the Moon. You walk around but you don't feel things; you are light, with a huge helmet and a backpack. So in my brain when I think about the surroundings, when I was on the surface for a minute or two, I had two words to describe it which I hadn't thought about before. The first word was “magnificence”. Because, it was nothing like earth. There is no air, no clouds, black sky, nothing is growing and it is empty. We could see the sun very bright behind us and the

## DEFACTO REVIEW



### President recalls ambassadors

President Khatmaa Battulga's announced the dismissal of ambassadors S. Bayar from the United Kingdom and M. Enkhsaikhan from Sweden. Mongolia's 5th president has called for the resignation for their confirmed collusion with M. Enkhbold during the June and July campaigns. The decision is not yet final as parliament is currently on recess, but president Battulga is arguing for the power to dismiss foreign service personal without reason. Battulga's new chief of staff, former parliament speaker, and Democratic party leader Enkhbold Z. says the demonstrations were clear signs of the people's rejection of the appointment to the post. The appointment was somewhat controversial because of substantial corruption allegations related to undisclosed offshore accounts. There are actually two or three sides to this story. These ambassadors will not be recalled, as I think this is a political move to try to initiate, and the recall of the ambassadors will be blocked at the parliament level. That's only my personal opinion. When you look at Mongolian foreign service, we actually have quite a long history and consistency for Mongolian foreign policy. When you look at our overall foreign policy, we have many missions in various countries. We have

31 embassies and 12 general councils. It's a quite large program for a country of Mongolian size. One thing that I try to clarify is exactly what is an ambassador recall. Is there any regulation or any legitimate calls for requiring grounds for dismissal or grounds for recall?

who were recalled within a one-year period, which will be the case for both ambassadors Bayar and Enkhsaikhan. There is also a rule of foreign service for the recall of ambassadors, the main cause for which being not working for or not aligning with Mongolian foreign policy. The second reason is for damaging relationships between other



There is no regulation that says requirements for recalling ambassadors. When you look at an average term of ambassador's service, from an unofficial source at the foreign ministry, it's three to four years in Mongolia. There have been instances ambassadors

countries. Mr. Enkhsaikhan he was appointed ambassador in April 27 to Sweden and Mr. Bayar on March 1st of 2017. There were just a few months for the ambassadors in their role for potential recall, but this was very much damaging, in my opinion, to Mongolia's reputation, because both of this ,

▶ countries, Sweden and Great Britain, are significant economic partners for Mongolia as well as social development leaders in the education sector.

The unofficial news is that there is a draft amendment doc-

ument available, and we should expect amendment talks to start by fall parliament session, which will hopefully start in November. Regarding the reason for needing amendments to the constitution and how supportive the public is of this issue, we can generally look at

business in Mongolia.

Foreign investments are what everyone talks about, while what everyone complains about is Mongolian instability. It comes to politics, and public service is getting mixed up in this.



## Heineken acquires APU shares

**D**utch beer and beverage giant Heineken is taking a large interest in Mongolian market with the acquisition of quarter of Mongolia's own beer producer APU. APU's majority owner, Shunkhlai Group, is in a deal for the remaining shares listed on the Mongolian Stock Exchange. The merger is expected to close by the end of the year. Obviously this creates a very strong Mongolian brand. There has been no additional investment since Heineken first came to Mongolia in 2012 through their \$20 million investment into Grand Khan LLC, which had a very strong brand of alcoholic beverages. It's very interesting from Heineken's perspective. They have spent five years in Mongolia, and now they decided to

merge with APU. That many shares shows a sign of weakness in Mongolia's beverage market over the past five years. Apparently, they didn't see the kind of growth they were expecting to see. I see this as merger activity as taking place on the bottom of the market. Also, it's an opportunity for Heineken to get involved in APU at a time when prices are so depressed. This creates another synergy from an export market perspective because APU was spending significant money on international marketing. I'm sure Heineken was too. These two companies merging will create one larger company.

Currently, APU is valued at approximately \$130 million with

last year's revenue being \$6 million down from the previous year. In 2016, surprisingly, APU's profits dropped to \$1.16m down from \$4.16m in 2015. This shows the whole economic crisis affecting APU in areas such as purchasing power, forcing them to look at external markets, and I think Heineken will help with that goal.

Mongolians have always tried to tap into this Mongolian vodka brand to showcase their abilities, taking advantage of international markets. Also, I think this is what APU is trying to do with the potential partner Heineken in terms of financing, and in terms of exporting in the future.



## Wildfires scorch countryside

**A**s Mongolian authorities have reported, approximately 12.8000 hectares of land has been destroyed by wildfire. There are various claims about the cause of the fires, but official statements claim 90% of fires are due to human activities such as careless camping and vodka bottles from picnic. However, when contacting the Ministry of Environment asking for an official statement, the professionals over there are explaining this from a more scientific background. What they are suggesting is what spread wildfire in Mongolia is this year's fire was notable because it was close to Ulaanbaatar, but it happens in cycles. Due to grass growing every year and the dying of it creates a lot of dead grass that acts as fuel for many of these fires. This year happens to coincide with probably the driest summer and it's been widely reported June 2017 was the hottest month. It's kind of a perfect storm with various factors

coming into play. I don't think this was much more than human activities from Mongolians suddenly going to start picnicking and starting fires with their vodka glasses this year. Mongolians are living their typical life, but it's having more of an affect on nature this year, in my opinion.

Another interesting side note on this issue is the United Nations have done a survey in Mongolia and apparently global warming is increasing in Mongolia twice as fast as the global average. Rapid desertification is becoming a serious problem. As I remember, we've never seen this kind of heavy dust storms coming to Ulaanbaatar, but I have seen it twice this year and it was surprising. About 5 or 6 years ago this phenomenon was only seen in the Gobi desert, and I believe desertification plays major role on this. Once it becomes desertification, one

environmental issue the Mongolian public really overlooks is the composition of Mongolia's herd numbers. Mongolia has 60 million livestock and about 25 million goats. This is another sign of our policy backfiring and creating additional problems for Mongolia. If you recall, seven years ago the government has started giving cash for each goat and now there are too many goats. It's definitely playing into the acceleration of desertification in Mongolia.



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