

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title:

Beijing Women's Conference

Staff Office-Individual:

Asian Affairs-Kristoff, Sandra

Original OA/ID Number:

1038

Row:	Section:	Shelf:	Position:	Stack:
30	2	9	3	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Samuel Berger to the First Lady, re: Concept Paper for First Lady's Participation in the Fourth World Conference on Women (5 pages)	07/06/1995	P1/b(1)
001b. draft	[Draft of 001a] (5 pages)	07/00/1995	P1/b(1)
002a. paper	Scope Paper for the First Lady's Trip to Thailand (4 pages)	08/07/1995	P1/b(1)
002b. paper	Thailand: Economic and Commercial Overview (3 pages)	08/07/1995	P1/b(1)
003. paper	Contingency Planning : First Lady's Participation in the Fourth World Conference on Women (6 pages)	00/00/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Asian Affairs (Kristoff, Sandra)
OA/Box Number: 1038

FOLDER TITLE:

Beijing Women's Conference

2012-0094-F

kc3909

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9505119
RECEIVED: 05 JUL 95 10

TO: CLINTON, H

FROM: BERGER

DOC DATE: 06 JUL 95
SOURCE REF:

KEYWORDS: UN
HUMAN RIGHTS

CHINA P R
LIMITED ACCESS

PERSONS:

SUBJECT: CONCEPT PAPER FOR FIRST LADY PARTICIPATION IN FOURTH WORLD CONF ON
WOMEN - LIMITED ACCESS

ACTION: BERGER SGD MEMO

DUE DATE: 08 JUL 95 STATUS: C

STAFF OFFICER: ROTH

LOGREF:

FILES: PA

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO
NSC CHRON
ROTH
SENS

DECLASSIFIED E.O. 13526
White House Guidelines,
September 11, 2006

By KOE NARA, Date 04/18/16

2012-0094-F

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSCLG

CLOSED BY: NSVJD

DOC 3 OF 3

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

RECORD ID: 9505119

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
002 BERGER
003

Z 95070517 FOR SIGNATURE
Z 95070610 FOR SIGNATURE
X 95070615 BERGER SGD MEMO

DISPATCH DATA SUMMARY REPORT

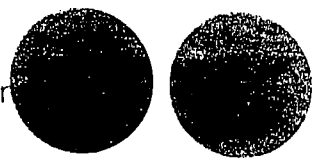
DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

003 950706 CLINTON, H

~~CONFIDENTIAL~~

National Security Council
The White House



PROOFED BY: _____ LOG # 5119 Redo
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
 BYPASSED WW DESK: ✓ DOCLOG ✓ A/O 02

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Harmon	_____	_____	_____
Dohse	<u>1</u>	<u>D</u>	_____
Sens	_____	_____	_____
Soderberg	_____	_____	_____
Berger	_____	_____	_____
Lake	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>3</u>	_____	<u>D</u>
Records Mgt.	_____	_____	_____

Deputy Nat Sec Advisor
has seen

*To: S. Berger
N. Soderberg
A. Sens*

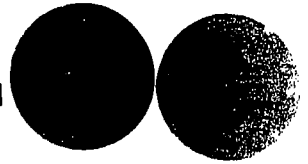
A = Action I = Information

cc:

COMMENTS:

Exec Sec Office has diskette 14

Rec 10-15-80
National Security Council
The White House



PROOFED BY: _____ LOG # _____
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
 BYPASSED WW DESK: _____ DOCLOG 12 A/O 1

	SEQUENCE NO	INITIAL/DATE	DISPOSITION
Harmon	_____	_____	_____
Dohse	<u>1</u>	<u>D</u>	_____
Sens	_____	_____	_____
Soderberg	<u>copy</u>	_____	_____
Berger	<u>2</u>	<u>sub</u>	<u>to DR</u>
Lake	<u>7</u>	<u>to SRB</u>	<u>for comment</u>
Situation Room	_____	_____	_____
West Wing Desk	_____	_____	_____
Records Mgt.	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

A = Action I = Information D = Dispatch R = Retain N = No Further Action

CC:

COMMENTS:

Exec Sec Office has diskette 1

National Security Council
The White House

PROOFED BY: _____ LOG # _____
URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
BYPASSED WW DESK: _____ DOCLOG _____ A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Harmon	_____	_____	_____
Dohse	_____	_____	_____
Sens	2	ADS	_____
Söderberg	_____	_____	_____
Berger	3	_____	→ 4/1/81
Lake	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	_____	_____	_____
Records Mgt.	4	DPS H/S	_____
ROTH	5	_____	PPH
_____	_____	_____	_____

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

COMMENTS:

Exec Sec Office has diskette _____

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Samuel Berger to the First Lady, re: Concept Paper for First Lady's Participation in the Fourth World Conference on Women (5 pages)	07/06/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Asian Affairs (Kristoff, Sandra)
OA/Box Number: 1038

FOLDER TITLE:

Beijing Women's Conference

2012-0094-F
ke3909

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON D C. 20506

5119 Redo
LIMITED ACCESS

July 6, 1995

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: STANLEY ROTH *SR*
SUBJECT: First Lady Concept Paper

Attached at Tab I is a revised information memorandum that incorporates your changes regarding the First Lady's participation in the Fourth World Conference on Women.

RECOMMENDATION

That you read the memorandum at Tab I.

Attachment
Tab I Memorandum for Samuel Berger

DECLASSIFIED E.O. 13526
White House Guidelines,
September 11, 2006

By KDE NARA, Date 04/01/16
2018-0894-F

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON D C 20506

5119 Redo
LIMITED ACCESS

July 5, 1995

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM:

STANLEY ROTH *SR*

SUBJECT:

First Lady Concept Paper

Attached at Tab I is an information memorandum regarding the First Lady's participation in the Fourth World Conference on Women.

RECOMMENDATION

That you read the memorandum at Tab I.

Attachment

Tab I Memorandum for Samuel Berger

*→ Stanley —
Please make changes
discussed on Barbara
and Antor Wat and
return asap.
②*

DECLASSIFIED E.O. 13526
White House Guidelines,
September 11, 2006

By VDC NARA, Date 04/01/16

2012-0094-F

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
--------------------------	---------------	------	-------------

001b. draft	[Draft of 001a] (5 pages)	07/00/1995	P1/b(1)
-------------	---------------------------	------------	---------

COLLECTION:

Clinton Presidential Records
National Security Council
Asian Affairs (Kristoff, Sandra)
OA/Box Number: 1038

FOLDER TITLE:

Beijing Women's Conference

2012-0094-F
ke3909

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS

Initials: KDE Date: 04/01/16

2012-0094-F

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9505119
DATE 06 JUL 95

SUBJECT: FIRST LADY CONCEPT PAPER - LIMITED ACCESS
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

CLINTON, H

PRINT LAST NAME: _____

COPY: ORIGINAL

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC SECRETARIAT, ROOM 379 OEOP

PAGE 01 OF 01 PAGES

SCOPE PAPER FOR THE FIRST LADY'S TRIP TO CHINA

I. INTRODUCTION

Your attendance at the Women's Conference will occur in the context of a nervous Chinese leadership, strained U.S.-China bilateral relations, vocally unhappy NGOs and international media attention on the tumult surrounding the conference. Although these inevitably will complicate efforts to focus on the issues that are the Conference's mandate, your attendance will serve to keep attention on women's issues and could have the collateral effect of easing U.S.-China tensions.

China's leaders originally saw the Women's Conference as a means to gain ground lost in the world's eyes after the 1989 crackdown at Tiananmen Square and to help counter its poor human rights picture. As planning for the conference progressed, Chinese leaders came to see NGO participants as potentially disruptive forces and to fear that the Women's Conference would be turned into a forum for criticism of China.

The current focus of concern about the Conference -- for us and for the Chinese leadership -- is the accreditation of NGO groups planning to participate in the Forum that will run concurrently with the Conference, and the siting of the Forum itself in Huairou, a village an hour away from Beijing which lacks facilities adequate for the expected 30,000-40,000 delegates. The Chinese have promised these facilities will be completed on time, but many concerns remain. Many delegates also have not yet received their visas to attend the conference.

Unfortunately, Chinese leaders, worried that they will reap a bitter harvest of adverse international press attention, blame the U.S. for promoting and even manufacturing international concern over these problems. Some leaders see this as part of a long-term U.S. design to contain and isolate China. We must accept that our actions will attract the scrutiny of the Chinese leadership and the lion's share of the U.S. media attention. American NGOs unhappy either with our policy of comprehensive engagement with China or with China's human rights situation, in particular the imprisonment of Harry Wu, also can be expected to be critical of your presence in Beijing as the head of the U.S. delegation. Nevertheless, your visit, which the Chinese will greatly welcome, will send a useful message of our desire to keep open high level channels of communication and to avoid embarrassing them at a difficult time.

II. OBJECTIVES

-- Our focus should be on making a success of the conference. We believe the conference issues to be extremely important and your presence will give us more clout in pursuing these goals.

-- While U.S.-PRC bilateral relations are not a focus of your visit, your presence in Beijing, your public comments about the importance of U.S.-China relations, and your admiration of Chinese civilization will help to soften current stresses at a time when Beijing questions the U.S. commitment to good relations.

-- We should do our best to prevent the Conference from being undermined by bickering either between China and the NGOs or by problems in the bilateral relationship.

CHINA: POLITICAL OVERVIEW

Jockeying for position among contenders for the mantle of Deng Xiaoping is complicating decision-making not only on foreign affairs but also on domestic policy. No one leader has enough stature to take bold positive steps. Domestic political maneuvering will rise steadily in the next two years, in the lead-up to the Fall 1997 Communist Party Congress.

Almost all top civilian, police, and military positions at the national and regional levels are held by members of the Party. A 22-member Politburo and its inner circle, the 7-man Standing Committee, is responsible for major policy-making. Key among this group is Party General Secretary Jiang Zemin, who holds the concurrent positions of head of the Military Commission and President. The Politburo reflects a generational change; with the passing of time, there are fewer elders from the generation of the Long March who remain politically active. The People's Liberation Army (PLA) remains a potent force, reflected in the presence of Gen. Liu Huaqing on the Standing Committee. While not likely to field its own candidate, the PLA will certainly play a king-making role in any succession. All those in positions of power have a stake in a peaceful transition and in avoiding any repetition of the bloodshed of 1989.

Economic decentralization has increased the authority of regional officials to make economic decisions, but political authority still resides in Beijing. Socialism continues to provide the ideological underpinning, but Marxist ideology has given way to pragmatism in recent years. Today, the Party's authority rests primarily on the success of economic reform, its ability to maintain stability, and control of the security apparatus.

More than a decade of rapid economic growth has raised living standards and enabled growing numbers of Chinese to assume greater control over their lives. In particular, the scope for private economic activity has expanded rapidly, and the degree of government and party control over the economy has continued to decline.

But while economic reform has progressed, political reform, which had begun in earnest in the late 1980s, was put on hold in the aftermath of the 1989 crackdown at Tiananmen Square. Challenges to the authority of the Party are often dealt with harshly and arbitrarily. The growing dichotomy between greater economic freedom of choice on the one hand and limited participation in the political process on the other, poses a dilemma for China's leadership. Given the current succession struggle, it is likely that political reform will continue to be postponed for the foreseeable future.

U.S.-CHINA RELATIONS

A number of current problems plague U.S.-China relations. Differences over human rights, China's nonproliferation record, our growing trade deficit, and China's eagerness to enter the World Trade Organization have been exacerbated by our decision to grant a visa to Taiwan President Lee Teng-hui to attend a mid-June Cornell alumni reunion, a decision which China condemned as a departure from our "one China" policy. China responded to Lee's visit by cancelling all scheduled meetings with USG officials on military, strategic, and nonproliferation matters. Chinese leaders are also reserving other possible areas for retaliation, including targeting our commercial interests, and denying us cooperation on important global and regional security issues. More recently, China's arrest of human rights activist and U.S. citizen Harry Wu has strained the relationship further.

An important factor in the U.S.-China relationship is the perception among China's leaders that the U.S. is trying to isolate and "contain" China. Enmeshed in a succession struggle, none of the leadership contenders can afford to be seen as kowtowing to the United States. To be seen as doing so risks jeopardizing a role in the succession.

Despite setbacks in the bilateral relationship, we continue to try to engage the Chinese at various levels and on a variety of issues. Most recently, on August 1, Secretary of State Christopher met with Chinese Foreign Minister Qian Qichen on the margins of the ASEAN Regional Forum in Brunei. Although no matters were resolved during their meeting, we were encouraged by the positive atmosphere. Undersecretary for Political Affairs Peter Tarnoff will discuss bilateral issues with the Chinese during his August 26-27 trip to Beijing.

As a basis for our policy, U.S. national interest is best served by developing and maintaining constructive relations with a China which is strong, stable, open and prosperous. China's further integration into the international community will ensure that China increasingly will see its interests served by adherence to international norms, whether the issue is human rights, nonproliferation, or trade.

It was in this context that the President approved in September 1993 a strategy of "comprehensive engagement" with China. This strategy is consistent with the policies of the past five Administrations, all of which recognized that while there would necessarily be differences between two great countries with vastly different political and social systems, it was necessary to pursue constructive relations with China now and in the future. While we continue to have differences over trade, human rights, and nonproliferation, we believe our engagement strategy has succeeded in the long term not only in helping to advance U.S. interests with China, but also in encouraging China's continued integration into the international community.

CHINA: REGIONAL AND SECURITY ISSUES

Regional Security

China plays a key role in regional security issues, including resolving the North Korean nuclear issue, reaching a peaceful settlement of the territorial dispute over the South China Sea and Spratly Islands, and building democracy and peace in Cambodia. The United States supports China's active participation in evolving regional security institutions, most prominently the ASEAN (Association of Southeast Asian Nations) Regional Forum and the Northeast Asia Cooperation Dialogue.

Nonproliferation

Although China remains a country of proliferation concern, we have made progress in consultations with China on preventing the spread of weapons of mass destruction and their delivery systems. Since the 1970s, the PRC's position on international efforts to stop proliferation of weapons of mass destruction has shifted. China, which used to automatically oppose such efforts for ideological reasons, now actually supports many nonproliferation initiatives and is being encouraged to become a full partner in a comprehensive international nonproliferation regime.

The United States and China have agreed to work together to try to achieve an international convention banning the production of fissile materials for nuclear weapons or other nuclear explosive devices. China is a signatory to the Nuclear Nonproliferation Treaty (NPT), has declared it favors a nuclear test ban treaty, and has agreed to ban the exports of intermediate and long-range missiles. It continues, however, to conduct nuclear tests and maintains its right to do so until a test ban is negotiated. In May 1995, China voted in favor of indefinite extension of the NPT, a top priority in U.S. foreign policy. The United States continues to urge China to cease nuclear tests immediately, stop all nuclear cooperation with Iran's nuclear power generation program, to become a member of the Missile Technology Control Regime (MTCR), and to strictly controls exports of chemical and biological weapons precursors.

President Clinton has just proposed a "zero-zero yield" limit on future nuclear tests (noting that the signings of a Comprehensive Test Ban Treaty is a high priority for the U.S.). The U.S. is unwilling to endorse the Chinese proposal to allow "peaceful nuclear explosions" after 1996.

Hong Kong

Under the 1984 Sino-British Joint Declaration, Hong Kong will become a Special Administrative Region (SAR) of the PRC on July 1, 1997. U.S. concerns over this transition include ensuring continuing respect for human rights and the rule of law in Hong Kong. The United States also has substantial economic and social ties with the territory, with an estimated \$8-10 billion invested there. There are 900 U.S. firms and 30,000 Americans resident in Hong Kong. The United States is Hong Kong's largest market (importing almost \$10 billion in 1993) and Hong Kong is America's fourteenth largest trading partner; the U.S. economic relationship with Hong Kong is closely tied to U.S.-China relations.

CHINA: ALIEN SMUGGLING

An estimated 50-80,000 illegal Chinese immigrants enter the U.S. each year. Although most of these come in by air, many are smuggled in on boats. Smugglers (known as "snakeheads" in China) are members of criminal gangs who bring their human cargo directly across the Pacific to enter the U.S. through its southern borders, or fly migrants from Beijing to Moscow or Western Europe to staging areas in the Caribbean and then to the United States. "Snakeheads" charge migrants \$20-30,000 per person to enter the U.S. This traffic in human beings is characterized by an extremely high level of violence directed against the migrants by the criminal gangs.

As a result of the February 1995 Presidential Directive to deter alien smuggling, the Departments of State and Justice have reviewed current efforts and are developing new actions to deter trafficking in illegal migrants. We are expanding diplomatic and law enforcement efforts, including cooperation with source and transit countries.

We have had some successes so far, yet the problem continues. On July 4, The U.S. Coast Guard interdicted the Jung Shena No. 8, a converted fishing vessel carrying 156 illegal Chinese migrants, crew and enforcers (referred to by the Chinese as "snakeheads" -- smugglers brought along to keep the migrants in order) 960 miles southeast of Hawaii. This was the third vessel interdicted this year.

In a departure from successful repatriation procedures followed over the past two years, the Chinese demanded their citizens from the Jung Sheng No. 8 be returned from U.S.

territory. On August 7, the migrants were returned from Wake Island, an unincorporated U.S. territory where the Immigration and Nationality Act does not apply.

This new requirement caused the migrants to remain at sea and delayed their return to China. This is contrary to humanitarian principles and agreements reached when Assistant Secretary Gelbard visited China in 1994.

Requiring that we escort smuggled illegal migrants to U.S. territory only assists smugglers and negates our successful policy of speedily returning migrants as a deterrent to future smuggling attempts.

Members of Congress continue to express concern about the treatment of migrants when they return to China, particularly the enforcement of China's population control policies. Our missions in China have investigated the status of returned migrants and have found no incidents of imprisonment or mistreatment.

CHINA: ECONOMIC AND COMMERCIAL OVERVIEW

In the early 1990s, the acceleration of economic reforms and an increasing openness to international economic activity have helped to give China one of the highest economic growth rates in the world. For three straight years (1991-1993), the growth of real GNP remained at 12-13%. Real economic growth in 1994 reached 11.4% and appears to be headed for another double digit year in 1995. This growth has led international business, anxious to take advantage of the Chinese market and its attractiveness as a manufacturing base, to beat a path to Beijing's door. Foreign direct investment was up again in 1994 reaching \$34 billion. U.S. companies, including much of the Fortune 500, have been significant players in this trend, though this has not prevented our bilateral trade deficit from mushrooming to over \$30 billion. It must be noted, however, that much of this increase has been due to the transfer of manufacturing facilities from Hong Kong, Taiwan, Singapore and Korea into China (due to lower labor costs on the mainland).

Inflation has been the greatest problem facing the Chinese economy. After a modest build up of inflationary pressures in 1993, the nationwide average inflation rate hit 21.7 percent for 1994. In major cities, inflation was considerably higher. Runaway money supply growth and lax controls on investment were the proximate causes. During the second half of 1994 and the first half of 1995, government measures including credit controls and stricter approval procedures on investment seemed to cool down the economy. China appears to be headed for a, more or less, soft landing in 1995.

Despite the current respite from disruptive economic pressures, the central government continues to struggle to

maintain a stable environment capable of supporting continued economic growth. The development of a new legal and regulatory framework has lagged behind the rapid expansion of the non-state sector, allowing an alarming increase in both public and private sector corruption. This has affected the investment climate and many Communist Party officials believe that it is the most serious threat to the survival of the current political regime. Moreover, China has yet to find a satisfactory solution to the inefficiency of large state-run enterprises which in some cases affect the lives of tens and even hundreds of thousands of Chinese workers and their families.

The war against inflation also points to the difficulties the central government has experienced in trying to establish the kind of macroeconomic controls that are necessary for the stable development of a market-based economy. In mid-1993, a "financial rectification" program failed to restore control over China's rapidly expanding money supply. Mandatory increases in the government's agricultural purchasing prices, intended to raise rural standards of living and reduce migration to urban areas, and directed bank financing of state industries' commercial losses, meant to stave off urban unemployment, are among the major factors behind the loss of monetary control. Recent successes in fighting inflation probably have more to do with re-instituted price controls than with basic economic reforms that remain to be enacted.

An Economic Balancing Act

The Chinese government is now in a delicate balancing act, in which it seeks to gradually impose stricter macroeconomic control, but without slowing growth to the point that it would risk social instability and a retreat from the market-oriented reform process. They have had some success but, as our own experience attests, reliance on price controls, while useful in the short run, is not a satisfactory long term solution to problems of uneven economic growth and immature economic institutions. The government has its work cut out for it as it seeks to sustain the remarkable success story that has been produced by Deng Xiaoping's economic reform program so far.

U.S. Firms Doing Well, But Looking Over Their Shoulder

American firms enjoy a relatively sound reputation in China. Direct investment by American firms is third only to that from Hong Kong and Taiwan. The latter two economies invest in hundreds of small projects, largely mom and pop operations, based on family roots going back decades. American investment is larger and "lumpier" consisting of large major projects.

American commercial concerns are largely similar to those of any multinational company doing business in China: lack of transparency, discrimination in favor of Chinese firms or

overseas Chinese, capricious changes in regulations, foreign exchange difficulties, etc.. Nevertheless, few firms are prepared to abandon the market to the competition. American commercial concerns are dealt with by all economic departments in various styles and channels, the best known are our bilateral market access negotiations led by USTR, the Joint Commission on Commerce and Trade led by the Commerce Department and the Joint Economic Committee led by the Treasury. The State Department assists firms in individual projects and has played key roles in facilitating business access to Chinese decision makers and American policymakers.

American business, while clearly supporting American policy goals, often is at odds with tactics and methods employed by the Administration in pursuit of those goals. Up to now commercial affairs have been separate from other considerations, such as sanctions and other political differences. We have not yet seen any ill effects, beyond a few cancelled business meetings, of granting a visa to Taiwan President Li Teng Hui. Businessmen, however, continue to look over their shoulders, noting that the Sino-German Satellite joint venture would not have occurred were it not for U.S. missile sanctions imposed in 1993. Some fear that American business will lose competitiveness if Sino-American relations continue to deteriorate. Chinese decision makers may begin to choose third country suppliers simply because they do not have to worry about potential "political problems" with suppliers from non-U.S. sources.

CHINA IN THE UN

The People's Republic of China (PRC) has had a permanent seat and thus a veto in the UN Security Council since it entered the UN in 1971, replacing Taiwan. The PRC has cast a Security Council veto only twice, the last time being in 1972. China generally chooses to abstain on resolutions with which it disagrees. In early 1995, the Chinese resorted to delay tactics in the Security Council to highlight its opposition to U.S. co-sponsorship of a China resolution in the UN Human Rights Commission (UNHRC). At that time, both China and Russia raised objections to a Security Council resolution to transfer the Haiti operation from a U.S.-led operation to a multinational force under UN aegis, although in the eventual vote China abstained.

Chinese actions in the UN and other multilateral fora can be characterized as cautious. China sees itself as a member and leader of the developing countries, but in practice tends to follow the consensus on many, if not most, issues addressed in the UN and other multilateral fora. The Chinese often cite "principles" of non-interference in the internal, sovereign affairs of states, and the necessity of parties in a dispute to negotiate and reach a peaceful settlement. These "principles" stem in part from China's history since the 1800s -- foreign concessions, gunboat diplomacy -- as well as from an effort to

avoid sanctions against China. For example, Beijing strongly criticized the United States when in 1991 and 1993, we were required under U.S. law to impose trade sanctions on China for its intermediate-range missile component and technology transfers to Pakistan. China also does not support the UN sanctions against Libya, and has called for an easing of the Iraq sanctions, arguing that Iraq has made progress toward compliance with UN resolutions.

Citing the problems encountered by UN peacekeeping forces in Bosnia and Somalia, the Chinese refuse to participate in such operations where all sides do not accept the presence of the UN. The PRC also does not support the use of force by UN peacekeepers. The Chinese do, however, participate as military observers for UN operations, dispatching in 1989 a handful of military personnel as UN observers in Namibia. Since then, it has participated in UN peacekeeping operations in Cambodia, Liberia, the Western Sahara, and on the Iraq-Kuwait and Arab-Israeli borders. The largest Chinese contingent -- a 400-man engineering battalion -- served under the UN Transitional Authority in Cambodia (UNTAC). Two of the engineers were killed in a Khmer Rouge attack.

The Chinese urge developed countries to provide greater economic assistance to the Third World. They also stress "economic and social rights" over freedom of expression, association, and other civil and political rights. Although the Chinese are supportive of the economic and social rights of women, they strongly object to international criticism of Beijing's human rights record or family planning policies as interference in purely internal matters. Beijing also voiced reservations over the establishment of war crimes tribunals in the former Yugoslavia and Rwanda for similar reasons.

CHINA: HUMAN RIGHTS

As the 1994 Country Report on Human Rights Practices for China illustrates, "in 1994 there continued to be widespread and well-documented human rights abuses in China, in violation of internationally-accepted norms, stemming from the authorities' intolerance of dissent and the inadequacy of legal safeguards for freedom of speech, association and religion." Such abuses continued during the first half of 1995.

At the same time, however, China has also taken steps that have improved some aspects of its human rights situation. China has begun to reform its legal system in ways that promise a positive impact on China's human rights practices. Chinese leaders have initiated a major legal reform effort with the goal of passing 150 new laws. Promising new laws have already been passed: the State Compensation Law, for example, allows Chinese citizens to sue the government for abusive treatment, and the new prison law sets out minimum standards for treatment of prisoners

and outlaws torture. Most importantly, rapid economic development that has also improved China's standard of living has resulted in increased openness to the outside world. Such changes have expanded freedoms, increased popular access to information and ideas, and improved the quality of life and choices available to China's citizenry.

Given the fluid political leadership transition now underway in China, we believe that China's protection of human rights is unlikely to improve dramatically in the near term. Continuing detention, surveillance and harassment of political dissidents, for example, suggest that China is willing to face international criticism rather than risk instability by loosening political and social controls. We are particularly concerned about the recent cancellation of medical parole and re-detention of leading dissident Chen Ziming (identify).

Administration policy approach was set by President Clinton in May 1994 when he renewed most-favored nation trading status for China: to engage China on the broadest range of issues affecting the U.S. national interest, including military, political, economic, and human rights issues. Despite our disappointment with China's performance in some of these areas -- notably human rights-- we believe sustained, comprehensive engagement with China will result in the most progress in the long term.

With respect to human rights, the United States plans to focus on initiatives holding the greatest promise for long-term results. President Clinton outlined these in May 1994: promoting the rule of law and legal reform in China, encouraging the development of civil society, encouraging responsible business practices, and increasing access to information and analysis. The Administration has been working on these initiatives over the past year. We have broadened our human rights dialogue with the Chinese to include rule of law issues, announced a set of global business principles, increased Mandarin and Tibetan language broadcasts to China and sought to identify funding to support U.S. NGOs active in China with the aim of promoting civil society.

Our interest in promoting China's long-term liberalization complements our immediate focus on continuing human rights abuses in China. We have continued to press our core concerns about freedom of speech, expression, and religion with the Chinese in all high-level exchanges. We have also urged the Chinese government to account for and release all prisoners of conscience, prohibit the use of forced labor, allow international humanitarian organizations access to Chinese prisons and prisoners, and resume negotiations with the Dalai Lama. High-level dialogue has also addressed allegations of donation of organs from executed prisoners without consent, and forced abortions and sterilizations. The United States also joined like-minded countries in supporting a resolution on human rights

in China at the United Nations Human Rights Commission in March 1995. U.S. effort was key to defeating a Chinese "no-action" motion and bringing China human rights practices before the Commission for debate for the first time, though the resolution on China was defeated.

CHINA: EDUCATION

While China has experienced phenomenal economic growth during the past decade, some social services such as public education have not been given the attention a rapidly modernizing nation demands. Over one million Chinese children leave elementary school each year. Of these drop outs, seventy percent are girls. Average education in China is only 6.5 years for boys and 4.5 years for girls. The average for girls in rural areas is only 3.1 years. By college, only 33.7 percent of all students are female.

Limited educational opportunities can be attributed to various causes. Rapid economic growth has created economic incentives for children to work. Many families are tempted to put children to work in order to supplement meager household incomes. Required costs for books and supplies are also still beyond the reach of many families.

Economic considerations and social prejudices have especially hurt girls. Poor families with more than one child sometimes force their daughters to leave school before their sons in order to devote extra resources to the schooling of the male heirs. This reflects a residual cultural bias against educating women. In traditional culture, Chinese women leave their birth families at marriage, limiting the investment some parents are willing to make in their education.

In response to China's educational problems, the Chinese government has adopted a policy of promoting the "two basics" by the year 2000: fully implementing a compulsory 9-year education and completely eliminating illiteracy within the workforce (the work force being those between the ages of 15-45 years of age).

The most comprehensive attempt to rectify the situation in China has been "Project Hope" which was established four years ago with Communist Youth League sponsorship. This program has, as its goal, the elimination of elementary school drop outs by the year 2000, and relies on private donations to defray the cost of texts and copy books which many poor families cannot afford. By the end of 1993 Project Hope had collected a total of US \$23.1 million and helped 594,000 children to remain in school. Additionally, it has funded construction and the renovation of 204 dilapidated schools. Project Hope focusses on reaching the poorest counties in China and has been aided in its efforts by AT&T, which recently donated a computer network of 36 terminals. The project goes beyond mere funding in that it also has worked

out an "adopt a child" program in which each family with the financial capacity adopts a needy child.

Finally, the number of private schools is increasing as a result of economic progress. There are now an estimated 20,000 privately run educational institutions in China. The vast majority (13,800) of these institutions are kindergartens run by various official groups such as the All-China Women's Federation and the All-China Federation of Trade Unions.

CHINA: WOMEN'S ISSUES

Women's rights have been promoted through both legislative and economic means. The 1982 Constitution states that "women enjoy equal rights with men in all spheres of life," including ownership of property, inheritance rights, and access to education. In 1992 the National People's Congress passed a law to protect the rights and interests of women and to curb sex-related discrimination. Economic reforms have also created new opportunities for female empowerment through increased earning potential. Township and village enterprises allow women to become less dependent on men due to the salaries they earn.

Despite these guarantees on women's rights, women in China continue to face discrimination, sexual harassment, unfair dismissal, demotion, and wage cuts. Women's salaries are an average 28% lower than men's and many businesses prefer to hire men to avoid paying maternity leave and child-care. Women hold relatively few positions of significant influence within the party or government structure. Although women are becoming increasingly more educated, men still constitute the majority of university graduates.

Although the government strongly condemns and punishes the abduction and sale of women for marriage or prostitution, violence against women, and female infanticide, all of these social ills exist. Abduction of women is a particularly serious problem, perhaps due to the ratio of male to female births (114/100). A survey conducted in Beijing showed that one-fifth of all wives have been abused by their husbands. The government response to all of these problems has been aggressive and severe.

China's economic development has induced millions of rural young women to leave school and move to cities and special economic zones in order to earn money before returning home to get married. However, many women are unwilling to return home to marry "provincial boys." Instead, they marry men who are also part of China's "floating population" (people without a registration card for the area they are living in, thereby limiting the type of employment and housing they can find).

There are many signs of progress in the improvement and advancement of women's status in China. Preparations for the Fourth World Conference on Women and the NGO Forum have already

directly changed the lives of many Chinese women. Public outreach programs and television broadcasts inspired by conference preparations have reached millions of women all over the country who would otherwise have no opportunity to participate directly. Women are learning new ways to communicate and engage in collegial dialogue. A new vocabulary of feminist language is being created to engage in productive dialogue on women's issues, including words like "empowerment" and "gender consciousness." Preparatory meetings for the conference have broadened Chinese participants' world view and given them a new consciousness of the global nature of women's problems. The conference has begun to legitimize public discussions of previously considered taboo topics.

CHINA: CHILDREN'S ISSUES

China is currently engaged in an extensive population control program due to its vast numbers (1.2 billion people and 1/5 of the world's population). China's family planning program has begun to shift its emphasis from birth control to reproductive health. The Five Year Population Plan emphasizes economic development and anti-poverty programs as a means of decreasing high birth rates. The program also seeks to raise the status of women and increase education on issues such as pre and post-natal care and contraception. Birth targets remain a part of the program.

The controversial one-child family policy has been relatively successful in the cities. This is largely due to high contraception rates, higher average age at marriage (28 years) increasing economic opportunities and an extremely tight housing supply. In the countryside, the one-child policy is less accepted. Labor intensive agricultural practices encourage large families and Confucian tradition demands the birth of at least one son to care for the parents in old age. There are many exceptions and "loopholes" to the family planning policy which allow farmers to have a second child, particularly if the first child is a girl or the parents are minorities.

Economic incentives, as well as propaganda, education, and sometimes coercive measures, are used to encourage adherence to the one-child policy. If the policy is not followed, fines, withholding social services, demotion, and other administrative punishments often ensue. Punishment can also fall upon the mother's work unit and local officials, thereby increasing the pressure to conform to the policy. These pressures have created inconsistencies between national policy and local implementation and enforcement. Although prohibited by law, forced abortions and sterilization are sometimes used to meet birth targets and to prevent the birth of children with hereditary and birth defects. In addition, ultrasound testing is abused as a means of gender selection.

The 1992 "Law on the Protection of Juveniles" forbids infanticide and mistreatment/abandonment of children, prohibits discrimination against handicapped minors, emphasizes the importance of safety and morality, and codifies a variety of judicial protections for juvenile offenders. The government has aggressively enforced the law but the kidnapping and buying and selling of children continue to be a problem in some rural areas.

CHINA: HEALTH ISSUES

Health care, like other social welfare services became increasingly subject to market forces after the economic liberalization of China in 1979. A reduction in state subsidies and rising inflation have presented clear challenges to China's medical system. One experimental solution to China's growing health care problems is comprehensive insurance programs being implemented in several of China's cities and economically advanced rural regions.

Prior to the economic reforms of 1979, China's health care system consisted of three sub-systems (one for civil servants, one for workers in urban enterprises, and a separate one for rural residents) which addressed the medical concerns of most Chinese citizens. The two urban systems provided virtually free health care. In rural areas, a collective-based welfare system provided rudimentary medical services at low costs or for free.

After 1979, the combination of rising inflation and declining state subsidies challenged the ability of China's medical system to provide comprehensive health care at minimal costs. State subsidies have been reduced to the point that they barely cover 60 percent of basic wage costs in most small local hospitals. To cover their costs and reduce abuse of the system, workers in urban enterprises now pay for their health care by having 10 to 15 percent removed from their paychecks. Rising inflation and a loosening of centralized control of the economy has caused many doctors who once worked in the countryside to enter more lucrative private practice in the cities causing a collapse in the collective system that ensured rural health care delivery for decades. A new problem exists in the many millions of migrant and self-employed workers who are not covered under the health care system.

In response to the problems facing China's health care system, several cities and a few economically advanced rural areas are experimenting with collective insurance programs. These new systems depend on a set percentage of about one to three percent removed from all residents of a district, regardless of their employer, for funding. The development of a broad comprehensive medical insurance system will, however, take a long time since these insurance programs are only in the beginning stage.

CHINA: POPULATION AND FAMILY PLANNING

China's population has roughly doubled in the past 40 years to 1.18 billion people. In the 1970's and 1980's, China adopted a comprehensive and highly intrusive one-child family planning policy. This policy most heavily affects Han Chinese in urban areas. Urban couples seldom obtain permission to have a second child. However, exceptions are allowed for the 70 percent of Han who live in rural areas. Ethnic minorities are subject to less stringent population controls. Enforcement of the family planning policy is inconsistent, varying widely from place to place and year to year.

The population control policy relies on education, propaganda, and economic incentives, as well as more coercive measures, including psychological pressure and economic penalties. Rewards for couples who adhere to the policy include monthly stipends and preferential medical and educational benefits. Disciplinary measures against those who violate the policy include fines, withholding of social services, demotion, and other administrative punishments, such as loss of employment. Unpaid fines have sometimes resulted in confiscation or destruction of personal property. Because penalties for excess births can be levied against local officials and the mothers' work units, many individuals are affected, providing multiple sources of pressure.

Physical compulsion to submit to abortion or sterilization is not authorized, but Chinese officials acknowledge privately that there are instances of forced abortions and sterilizations. Officials maintain that, when discovered, responsible officials are disciplined and undergo retraining. They admit, however, that stronger punishment is rare. Individuals can also sue officials who have exceeded their authority in implementing family planning policy, but government officials have not provided data on the number of successful suits on these grounds.

Regulations forbid sex-selective abortion, but because of the traditional preference for male children, particularly in rural areas, some families have used ultrasound to identify and abort female fetuses. Use of ultrasound for this purpose was specifically prohibited by the Maternal and Child Health Law passed in October, which prescribes penalties for medical practitioners who violate this provision. The Chinese press has reported that the ratio of male to female births is 114 to 100, based on a nationwide average, while the statistical norm is 106 male births to 100 female. The ratio excludes many female births, especially the second or third in a family, which are unreported to permit the parents to keep trying to conceive a boy, but may also reflect the abuse of sonography. Female infanticide may also be a factor in some areas of China.

At least five provincial governments have implemented regulations seeking to prevent people with severe mental handicaps from having children. In October 1994, China passed a national Maternal and Child Care Law calling for premarital and prenatal examinations to determine whether couples have acute infectious diseases, certain mental illnesses (not including mental retardation), or are at risk for passing on debilitating genetic diseases. The law went into effect on June 1, 1995, but implementing regulations defining which diseases or conditions will be covered have not yet been finalized. The law will be implemented by the Ministry of Health, not the State Family Planning Commission, and while it includes provisions for abortion or sterilization in some cases based on medical advice, it provides for obtaining a second opinion and mandates that patients or their guardians give written consent to such procedures.

CHINA: ORPHANAGES/FOSTER CARE/ADOPTIONS

China has a strong family tradition, and most children who lose their parents find shelter with relatives. The government encourages this, seeking to keep the number of individuals who must seek support in institutions to a minimum.

The government maintains approximately 900 orphanages funded by various levels of government and administered through the civil affairs bureaucracy for those with no alternatives. The few orphanages that are outside the government system are run by charitable institutions, some with foreign support.

The children in Chinese orphanages are generally abandoned. Names, birthdates and medical conditions are often impossible to determine. Many abandoned children are seriously disabled, either mentally or physically.

Conditions in China's orphanages are grim. Poorly trained staffs are hard pressed to assess and address the needs of severely handicapped or ill children. Funds for medical treatment are limited, and the "safety net" for critically ill children is incomplete or non-existent. A recent BBC documentary criticizing conditions at Chinese orphanages has sparked considerable controversy. The film purports to link China's one-child family-planning policy with the decision of many parents to abandon children. The documentary also faults the Chinese government for failure to provide orphans with adequate housing, food, and medicine.

It is undeniable that orphanages lack adequate resources to fully meet the needs of the orphanage population. Nevertheless, over 60 million Chinese live in

impoverished conditions that are also appalling by western standards. Chinese officials recognize the orphanage system's shortfalls. Government officials assert, however, that any inadequacies are due to a lack of resources, not systematic efforts to mistreat orphans or policies that encourage child abandonment.

The China Adoption Law of April 1, 1992 provides strict guidelines for foreigners wishing to adopt Chinese children. Only children under the age of 14 who are orphans, abandoned, or handicapped may be adopted. The Chinese restrict adoptions of abandoned children to prospective parents who are older than 34 years of age. Parents younger than 35 may adopt only handicapped children and orphans.

American families adopted 787 Chinese children last year, making China the third largest country of origin of adoptions after Korea and Russia. Compared to the 12 Chinese children adopted by Americans in 1988, the increase in adoptions has been almost twenty-fold.

CHINA: PREPARATIONS FOR THE CONFERENCE

The Chinese government offered to host the Fourth World Conference on Women as a way to enhance its international image, highlight the success of its modernization drive and present itself as a credible future host to the Olympics games. Beijing never anticipated the scope and intensity of international interest in this conference; Chinese leaders imagined that the content would be innocuous and that delegates would arrive principally--in the words of one official--for 'sightseeing'.

As preliminary discussions took place, the Chinese leadership--concerned above all about social stability as the political transition to Deng Xiaoping neared--began to fear that the conference, and especially the NGO Forum, could precipitate unwelcome demonstrations on "human rights" or "democracy." These concerns grew during the September 1994 Cairo conference on population, where China was roundly criticized by some groups for its family planning program. Then, during the March 1995 Copenhagen Social Summit, Premier Li Peng was besieged by NGO protesters, mocked on signs and placards and forced to leave his hotel by the back door. Hunger strikes occurred, evoking for the Chinese leadership memories of the 1989 Tiananmen events.

The Chinese leadership appears to have concluded that NGO delegates will be inclined to street action and other public manifestations aimed at heightening their profile while embarrassing China's leaders and political system. Consequently, the Chinese decided to move the forum out of Beijing to Huairou, a village about an hour's drive to the north. Despite a massive construction effort the China Organizing Committee has said that

it will only be able to accommodate 10,000 of the estimated 36,000 people expected to attend.

China is absolutely committed to hosting the conference, but is equally committed to take every possible precaution to minimize opportunities for public protest or other disruption. In short, the Chinese see themselves in a no-win situation, and have adopted a damage-control policy. They understand that they are very likely to reap a bitter harvest of very adverse international press reporting, but they believe the cost would be even higher if they were seen to abandon the conference under international -- especially U.S. -- pressure.

CHINA: WOMEN'S CONFERENCE AGENDA

The UN Fourth World Conference on Women will produce a consensus document called the Platform for Action. The goal of this document will be to focus attention on the status of women worldwide and promote remedial action where necessary. The Conference will also adopt a "Beijing Declaration," a short document that contains major themes for improving the status of women around the world.

The United States has participated actively in the preparation of the Platform for Action, and will continue that process in Beijing, where less than 20 percent of the language remains contested. In the human rights area of the Platform, significant agreement has been reached on the need for governments to take action to end violence against women and to recognize that women's rights are human rights.

Some issues remain to be settled in Beijing, however. For example, Islamic nations have insisted that women be treated "equitably," while most other nations agree that women should be treated "equally." Also, despite broad agreement on the issue, an acceptable formulation to express the universality of human rights has eluded negotiators.

In addition, there will continue to be efforts (which the United States and others will oppose) to imply or assert that human rights are culturally determined.

There continue to be far too many references to political issues in the Platform for Action that are extraneous to the advancement of women. The United States will seek the removal of as many of these references as possible.

Several African delegations will spearhead efforts to refer to harmful customary practices (e.g. female genital mutilation), which the United States will support.

Some delegations will seek references in the Platform for Action to the "right to development." The United States will

work to ensure that any references adopted reflect the understandings reached at Vienna and Copenhagen that (a) the right pertains to individuals and not to states or groups; and (b) that the lack of development may not be invoked to justify the abridgement of human rights.

The Platform should be strengthened in areas that call on governments to address poverty's differential impact on women and agree to take steps to ensure that women and girls have equal access to educational and employment opportunities; have equal opportunity to control of land, property, capital, and credit; and are included as equal participants in and beneficiaries of economic development.

The US will support language about innovative measures to promote women's participation in all aspects of economic development, including through non-governmental organizations, academic institutions, and the private sector to improve the effectiveness of anti-poverty programs.

Some delegations will attempt to use the Platform to call for the allocation of new and additional resources to support elements of the Platform for Action. Due to international budget constraints however, agreement has not yet been reached on acceptable language. The United States will work to ensure that resources allocated are used in the most effective way possible to improve women's lives.

The Platform for Action could be improved by strengthening positive references to families and to motherhood and the United States will support inclusion of the positive aspects of these important issues. The Platform will also address the circumstances within families that need to be improved, including unacceptable conditions such as abuse and violence.

Women's health is an extremely important issue which has had very little negotiation in the preparatory process, requiring much work in Beijing. The United States has been and will continue to press to ensure access to appropriate, affordable and quality health care information and services through a woman's life, enhancing physical, psychological and social well-being. Special emphasis will be placed on prevention and early detection of health problems, including breast, cervical and other cancers of the reproductive system.

The United States will also seek to reaffirm the agreements made at the International Conference on Population and Development last September, particularly on reproductive health and rights. The Platform should reaffirm efforts to ensure that women have access to quality reproductive health services -- including family planning, safe delivery and post-natal care including breastfeeding and infant and women's health, prevention and treatment of HIV/AIDS and other sexually transmitted diseases, safe abortion where it is legal, referrals for cancers

and other reproductive illnesses, among others. Reproductive rights, named as such at the ICPD, embrace certain human rights that are already recognized and the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children and to have the information and means to do so, and the right to attain the highest standards of sexual and reproductive health. It also includes the right to make decisions concerning reproduction free of discrimination, coercion and violence. Both these issues are fundamental to women's empowerment.

The Platform should recognize the diversity of women, encourage the participation of all women in their society, and recognize the fact that some women face additional barriers to their advancement because of factors other than gender, including age, disabilities, and membership in an ethnic or racial minority. It should, however, address these issues in appropriate places and avoid repetitive lists. Language which treats refugees, displaced, internally displaced and migrant women as a group and which inappropriately expands the scope of protection afforded should be avoided.

Concerning environmental issues, selective quotation of the text of Agenda 21 does not in all cases accurately reflect the need for developed and developing countries to work together for sustainable development. On certain issues, the United States will urge that language from subsequent UN Conferences, such as the 1994 International Conference on Population and Development, on production and consumption patterns, be used.

CHINA AND THE ENVIRONMENT

Chinese Environmental Activity

China's environmental situation is a disturbing one. Lung cancer and pulmonary disease due to the inhalation of superfine particulates are now the primary causes of death in the PRC. The city of Benxi in Heilongjiang province can no longer be seen by satellite due to atmospheric pollution. A country in which the per capita share of arable land is smaller than any other nation save Egypt and Bangladesh is expected to lose additional acreage equal to Vietnam's total by the end of the century due to soil degradation, sinking water tables and salinization of irrigation water.

This is not to imply that China is irresponsible; it is not. It is going through a necessary stage of development that the United States and Europe went through seventy years ago. The pressures of too few resources and too many people magnify the problem to a scale unimaginable here. The Chinese government believes it must address economic development and job creation first. Environmental protection, while a second-tier priority, is nevertheless important.

These problems were evident a decade ago, and the Chinese launched an impressive effort in the late eighties to set up an institutional and regulatory framework to begin to address them. After some initial successes, however, the environmental effort in China was overtaken in the early 1990s by an all out drive to speed economic development. The Chinese government, faced with the prospect of meeting the demand for over a million new jobs per year, recognized that in many ways its legitimacy depends on its ability to both create jobs and increase the standard of living for the Chinese people. Chinese political institutions are extremely fragile. Their influence barely penetrates the surface.

Despite this, environmental agencies in China have continued their work, and have demonstrated commitment to a meaningful environmental agenda through a continued refinement of the legal and regulatory structure and the publication of ambitious projects such as its 'Agenda 21' project on sustainable development which outlines over 60 projects critical to environmental preservation. The sheer ambitiousness of these objectives also indicates a willingness to work with foreign firms and governments in achieving these goals. The task is simply too large for China to accomplish on its own and it is looking for private, bilateral and multilateral assistance and investment.

Public Education

As part of its overall environmental policy, China has mounted broadly-focussed media campaigns to sensitize its population to environmental issues. For example, when the State Council passed its new Rhinoceros Horn and Tiger parts regulations in 1994, the news was broadcast on the evening news and publicized in all major papers. In July 1993, as part of a three-year drive to protect wildlife and the environment, China publicized plans to increase raids on restaurants that serve rare animal parts. Chinese news services reported that inspectors would go to markets and restaurants, especially those in southern China, where exotic offerings are still found on menus. An ad campaign asking people to give up the consumption of rare and endangered species was also launched and received international media attention. The raids and crackdowns also target companies that pollute the environment. Violators of environmental or wildlife protection laws will be fined on the spot or prosecuted, according to the official China Daily newspaper.

Climate Change

Due to China's burgeoning population, rate of economic development, heavy reliance on coal, and projected greenhouse gas emissions, China is crucial to the success of any global effort to address climate change. China is expected to surpass the U.S. in greenhouse gas emissions early in the next century. China is

the third (after the U.S. and Russia) largest source of emissions of greenhouse gases, which may lead to global warming. At current economic growth rates, China will likely become the world's largest greenhouse gas emitter by the year 2020.

Three Gorges Dam Project

The USG is continuing to follow Chinese plans to build a 2 kilometer dam across the Yangtze River in what is known as the scenic Three Gorges area. China has already begun construction on the project, although its financing is not complete. The dam is perhaps the most visible current environmental issue in China and there is strong international and domestic opposition to the project due to the huge environmental implications for the project and the necessary resettlement of over one million people.

In 1992, the People's Congress formally approved the project, but one third of the delegates either abstained or voted against it. It is extremely unusual to have such a large negative vote in the Congress, which is usually a "rubber stamp" for government proposals.

Energy Development

China is the only major electric power market which is forecasting major expansion requirements in the next two decades. Continued growth at current levels could generate the demand for over \$100 billion in new plant expansion. Currently, most power generation is from fossil fuel (soft coal), although there are now major nuclear power expansions.

Air Quality

China is the second largest emitter of carbon dioxide (largely from coal-fired power generation), and although it is working on clean coal technology and efficiency programs, emissions are expected to grow considerably over the next decade. Although as a developing country China is not required to meet the Climate Change Convention's strict reporting provisions, it has not yet produced the required inventory of its greenhouse gas emissions. It has, however, requested and received (\$1.7 million) in financial and technical assistance through the U.S. Country Studies Initiative for the preparation of its inventory.

CHINA: COUNTERNARCOTICS COOPERATION

The U.S. has made counternarcotics cooperation an element of its ongoing dialogue with the PRC and has received high level assurances from the Chinese authorities that they desire greater cooperation in this area. On our own initiative we have conducted training programs for Chinese drug enforcement officials. The DEA conducted an enforcement training course in

Xiamen, Fujian last year. A group of Chinese customs officials were trained at the U.S. Customs detector dog school in 1994. More training by DEA is scheduled this year.

Movement toward further drug cooperation is frustratingly slow, however. Despite assurances, Chinese officials at every level frequently cite the infamous "Goldfish Case" -- involving a Chinese drug dealer brought to testify in the U.S. and who remains here under repeated judicial review -- as a reason to drag their heels on closer narcotics ties.

We have consistently encouraged China to urge Burma to take more initiative to control the production and trafficking of opium and heroin. The Chinese authorities have shown that they are willing to send a strong message to trafficking groups in Burma. In 1994, the Chinese tried and executed Yang Maoxian, the brother of the leader of a principal trafficking group, the Kokang. This was a clear signal to trafficking groups in Burma that China will act vigorously to stem the regional trade in heroin.

China is also an active participant in UNDCP efforts in the region and is one of the partners in the sub-regional projects of the UNDCP in Southeast Asia. We have been very supportive of these projects and have encouraged the regional cooperation of all the countries, including China, that are working with the UNDCP. Much of the material used by UNDCP for alternative development projects in the opium producing areas of Burma is brought in through China. A UNDCP meeting on these regional projects will be held in Beijing on May 25. Representatives from Thailand and Burma will attend this meeting to coordinate plans for regional cooperation under UNDCP.

China's domestic drug control program resulted in heroin seizures of over 3 metric tons in 1994; 4.459 metric tons in 1993 and 4.489 metric tons in 1992. China seizes more heroin than any other country in East Asia. More than 30,000 arrests were made for drug crimes in 1994 and prosecution is vigorous. China executes hundreds of convicted drug traffickers each year.

CHINESE PERCEPTIONS OF THE WOMEN'S CONFERENCE

The Chinese leadership is now enmeshed in a struggle over succession to Deng Xiaoping and is obliged to trumpet nationalistic themes and economic growth as the basis for popularity and credibility. Whatever their differences, all Chinese leaders have in common a preoccupation with "unity" and "stability," and a corresponding determination not to allow popular unrest. Any Chinese leader who fails the test of not standing up to foreigners, preserving order in China, and projecting a positive image of China internationally risks being cast aside in the political succession sweepstakes.

China's leaders originally saw the Women's Conference as a means to gain ground lost in the world's eyes after the 1989 crackdown at Tiananmen Square and to help counter its poor human rights image. They hoped to show delegates a stable, prosperous, socially-cohesive China. Further, most Chinese take pride in the achievements of Chinese women since the communist revolution in 1949. Although Mao today is justifiably criticized for his excesses, he is still praised for having liberated women from semi-feudal servitude.

Unfortunately, as planning for the conference progressed, the Chinese came to see the large numbers, activism and political agendas of various participating NGOs as potentially disruptive forces. Chinese leaders fear unwelcome international media coverage. Even worse in their eyes, the conference might catalyze public demonstrations. As a result, they have balked at accrediting NGO's affiliated with Taiwan or Tibetan groups, or with human rights groups in general.

China's fears have resulted in accreditation problems for NGO groups for the NGO Forum that will run concurrently with the women's conference, and in the siting of the forum at the village of Huairou, an hour away from Beijing, which many fear lacks facilities adequate for the expected 30,000-40,000 delegates.

Chinese leaders have gone into a damage control mode in their approach to the Women's Conference. As a matter of national pride, China will not withdraw from its decision to host. As a matter of perceived national security, China will do its utmost to contain those seen as most likely to provoke disruptions. As a matter of political survival, the leadership will not bow to foreign demands to accredit "disruptive" NGOs with "ulterior motives," nor will it retreat from its decision to house the NGO Forum delegates in Huairou. All of these policy decisions come from the very top of the Chinese leadership.

CHINESE ETIQUETTE

Meetings

The key to preparing for successful meetings in China, whether they be with school administrators or political leaders, is to avoid surprising your hosts. Even before you arrive for your meeting, providing as much advance information about what you hope to accomplish and discuss will increase your chances for a rewarding experience.

Upon your arrival at the meeting, the Chinese host may expect you to be the first to enter, since according to Chinese custom participants file into a meeting by rank with the highest ranking official entering first. If the meeting is held at your request, the host will make a short welcoming speech and then turn the floor over to you to state your business. The Chinese normally

prefer others to make presentations to which they may then react. Ordinarily, meetings will begin indirectly with conversations on such subjects as your impressions of China, your itinerary and the weather, particularly if the press is permitted to cover this portion of the meeting. Chinese view immediately launching into the substance of the meeting as a bit impolite. Negative replies in the Chinese culture are considered impolite and rather than give you a negative response they may provide an ambiguous response.

Banquets

During the course of your visit, you will indubitably experience a Chinese banquet. Consisting of 10-15 courses, the banquet will follow the prescribed format of including dishes that appeal to the five tastes: salty, sweet, sour, bitter, and spicy. Special delicacies such as birds' nest soup, shark fins, sea slugs, duck brains, jellyfish or fish stomachs may be included. Most Chinese will understand if you decline to eat such a dish, but the best way to handle such a situation is to either hazard a bite or two, or to push the food around in your dish. The end of the banquet is usually presaged by a thin broth followed by a dessert, usually fresh fruit.

Several toasts will be offered during the course of the meal with some form of alcohol. The host will offer the first toast after a few courses have been served. You will be expected to offer a toast a few courses later in which you may include some substance but preferably you should discuss safe topics of friendship, equality and mutual respect.

CHINA: THE U.S. EMBASSY

Serving in the U.S. Embassy in Beijing is a challenge. Three separate buildings were acquired at different times as the U.S. diplomatic presence grew in the late 1970s and early 1980s; none is modern, comfortable or plush. The USIA offices, medical unit and Ambassador's residence are contained in the YiBan compound, which once housed the entire U.S. Liaison Office in the 1970s. Consular and administrative offices are housed in the David K.E. Bruce Building ("ErBan"), across from the Chancery. The SanBan building, once the Embassy of Pakistan, houses the Ambassador's office, the political, economic, defense attache and science and technology sections, together with the U.S. Marine security guard detachment. The Foreign Commercial Service leases separate offices elsewhere for promotion of U.S. commercial products.

Embassy officers generally have undergone a grueling two-year Mandarin language and China Area Studies program before taking up their posts in Beijing. The course typically includes a year of study at the National Foreign Affairs Training Center (NFATC) in the Washington area, then a second year at the Chinese Language and Area Studies School attached to the American Institute in

Taiwan. A number of embassy officers have served more than one tour in China.

Twelve U.S. government agencies are represented at the Embassy in Beijing, including State, Defense, USIA, U.S. Customs, Agriculture, Commerce, and Justice.

In addition to Embassy Beijing, the U.S. government maintains consulates in Chengdu, Guangzhou, Shanghai and Shenyang. Personnel braving the often harsh living conditions in Chengdu and Shenyang are greatly admired for their fortitude and commitment.

Charge d'Affaires Scott S. Hallford has served as Deputy Chief of Mission in Beijing since July 1992. He speaks German, Burmese, and Mandarin Chinese.

SECMPOL 13296

SCOPE PAPER FOR THE FIRST LADY'S TRIP TO CAMBODIA

INTRODUCTION

Your visit will symbolize U.S. support for Cambodia as it emerges from decades of civil war and strife to become a partner in the dynamic Asia-Pacific region. It will follow a very successful visit by Secretary of State Christopher to Cambodia on August 4, the first such visit in forty years.

Ninety percent of Cambodia's registered voters defied Khmer Rouge threats and participated in free elections in May, 1993. The UN Transitional Authority in Cambodia (UNTAC), a peacekeeping success to which the United States contributed \$517 million and considerable political support, made this possible.

While Cambodian democracy is showing impressive endurance, the expulsion of a member of the National Assembly and a split within the third party in the government coalition threaten its consolidation. As reflected in a recently issued statement from the office of the First Prime Minister, the government sees the need for stability and prosperity before democracy can flourish, a theme often heard elsewhere in Asia. As Cambodia begins to prepare for its next national elections in 1998, the United States continues strongly to support Cambodia's democracy, emerging civic organizations, and nascent market economy.

Secretary Christopher's visit in August reaffirmed President Clinton's and the U.S. Government's continuing commitment to Cambodia. This commitment to promoting economic development and democratic governance is reflected in the signing of agreements pursuant to the U.S. pledge to provide \$73 million in assistance in the 1994-95 period, including 10,000 metric tons of food aid. In addition, the U.S. supports numerous indigenous and international NGOs working to promote human rights and foster development.

Department of Defense personnel have visited Cambodia periodically to provide training and materials in areas including humanitarian demining, road building, military justice, civil-military relations and English-language study. We continue to provide supplies such as medical equipment and Humanitarian Daily Rations (HDR's) to help the Cambodian Red Cross and the Cambodian Government address compelling humanitarian needs including reintegrating defectors from the Khmer Rouge into Cambodian Society.

We are also working with Congress to obtain Most Favored Nation trading status for Cambodia.

Objectives

- Express appreciation for Cambodia's efforts to build a democratic political system and a market economy.
- Underscore U.S. support for a peaceful, prosperous, and free Cambodia.
- Encourage the Royal Cambodian Government to continue efforts to ensure greater adherence to principles of human rights, rule of law and democratic governance;
- Assure the Cambodians that the U.S. has not forgotten the atrocities committed by the Khmer Rouge and the suffering of the Cambodian people.

CAMBODIA: US/CAMBODIA RELATIONS

The United States recognized Cambodia on February 7, 1950, and between 1955 and 1963 provided \$409.6 million in economic grant aid and \$83.7 million in military assistance. This aid was used primarily to repair damage caused by the first Indochina war, to support internal security forces, and for the construction of an all-weather road to the seaport of Sihanoukville, which gave Cambodia its first direct access to the sea and access to the southwestern hinterlands.

Relations deteriorated in the early 1960s as U.S. involvement in Vietnam deepened. Diplomatic relations were broken by Cambodia in May 1965 but were reestablished on July 2, 1969. US relations continued after the establishment of the Khmer Republic. Between 1970-75, as the civil war escalated, the United States provided \$1.18 billion in military assistance and \$503 million in economic assistance to the Cambodian government. With the defeat of the Lon Nol Government in 1975 by the Khmer Rouge forces, the U.S. mission was evacuated on April 12, 1975.

The United States condemned the brutal character of the Khmer Rouge regime between 1975 and 1979. The U.S. also opposed the military occupation of Cambodia by Vietnam and supported ASEAN's efforts to achieve a comprehensive political settlement of the problem. This was accomplished on October 23, 1991, when the Paris Conference reconvened to sign a comprehensive settlement. The United States opened a Mission in Phnom Penh on November 11, 1991, headed by Mr. Charles H. Twining, Jr., designated U.S. Special Representative to the SNC. On January 3, 1992, the U.S. embargo was lifted, normalizing economic relations with Cambodia. The U.S. also ended blanket opposition to lending to Cambodia by international financial institutions. When the freely elected Royal Cambodian Government was formed on September 24, 1993, the United States and the Kingdom of Cambodia immediately established full diplomatic relations.

Deputy Secretary Talbott visited Cambodia in January 1995. During his August 1995 visit, Secretary Christopher reaffirmed the President's and the U.S. Government's continuing commitment to Cambodia's democracy, its emerging civic organizations, and its nascent market economy. The United States continues to support efforts in Cambodia to build democratic institutions, promote human rights, foster economic development, eliminate corruption, improve security, achieve the fullest possible accounting for POW/MIAs, and to bring members of the Khmer Rouge to justice for their crimes.

CAMBODIA: BACKGROUND INFORMATION

The official name of the country is the Kingdom of Cambodia. Cambodia has an area of 181,035 square kilometers (69,900 square miles), approximately the size of Missouri. Its total population is 9.89 million (1994). The average annual population growth rate: 4.1%. Births: 38 births/1000 population. Deaths: 15 deaths/1000 population. Infant mortality: 116 deaths/1000 live births. Life expectancy is 47 years for men, and 50 for women. The capital Phnom Penh has a population of approximately 1 million. Ethnic Cambodians, also known as Khmer, constitute nearly 95% of the population. Other groups, including ethnic Chinese, ethnic Vietnamese, Chams (Khmer Muslims) and hill tribes are also represented.

The terrain is largely flat, low lying plains that are drained by the Tonle Sap (Lake) and the Mekong and Bassac Rivers. Tonle Sap is one of the richest sources of freshwater fish in the world. About 80% of the population is engaged in subsistence farming. Rice is grown on 90% of the cultivated land, along with crops such as corn, tobacco, sesame and tapioca. There are forested areas in the southwest, south and the north. Most of the country is at an elevation less than 100 meters above sea level. There are two basic seasons, a dry season from November to May, and a hotter rainy season from June to October.

The official religion of Cambodia is Theravada Buddhism, which is also practiced in Laos, Thailand, Burma and Sri Lanka. There are approximately 500,000 Muslims and over 60,000 Christians in Cambodia.

There are an estimated 8-10 million landmines still in place in Cambodia, roughly one for each Cambodian. Cambodia has as high a proportion of amputees in its population as any country in the world as a result of landmines. The Cambodians have been cooperating extensively with the international community to address the landmine problem. The Cambodia Mine Action Center, the Royal Cambodian Armed Forces, and various NGO's are active in the demining effort, and the United States has strongly supported demining in Cambodia.

CAMBODIA: POLITICAL OVERVIEW

The image of Cambodia as the land of the Khmer Rouge and the killing fields is out of date. After a quarter century of violence and chaos, 90 percent of Cambodia's registered voters defied Khmer Rouge threats and participated in free elections in May, 1993. The U.N. certified the 1993 election as free and fair, although polling in areas controlled by the Khmer Rouge was not possible. This would not have been possible without the UN Transitional Authority in Cambodia (UNTAC), a peacekeeping success to which the United States contributed \$517 million and considerable political support. The next national elections are scheduled for 1998, to be preceded by local elections in 1996.

After the 1993 elections, the royalist party FUNCINPEC entered into a coalition with the other parties that participated in the election, including the Cambodian People's Party (CPP), which had ruled the country since 1979 following the ouster of the Khmer Rouge (KR) regime by the Vietnamese. In September 1993 a new Constitution was promulgated, establishing a constitutional monarchy with King Sihanouk as Head of State. The leader of FUNCINPEC, Prince Norodom Ranariddh, and CPP leader Hun Sen became First and Second Prime Ministers, respectively. The political climate in Cambodia is basically stable. The government faces serious problems of institution-building, exacerbated by widespread corruption, a poorly staffed and trained judicial system, and the weakening but ongoing Khmer Rouge insurgency. The Khmer Rouge, also known as the Party of Democratic Kampuchea (PDK), were responsible for the genocide of over a million Cambodians when they ruled Cambodia from 1975-1979.

Cambodia's democratic institutions, notably the 120 person National Assembly, are still in the process of establishing and developing their roles in the political system. In recent months, the Assembly has been at the center of political wrangling, for example when Prince Ranariddh had FUNCINPEC MP and former Finance Minister Sam Rainsy expelled from the party and then removed from the Assembly. Rainsy's outspoken criticisms of government policy, particularly corruption, were a major factor in his ouster. A recent split in the Buddhist Liberal Democratic Party (BLDP) could lead to the expulsion of former resistance leader Son Sann, Human Rights Commission Chairman Kem Sokha, and other BLDP MPs from the Assembly as well.

The Assembly passed a controversial new press law in July. The law provides for confidentiality and prohibits pre-publication censorship, but human rights NGOs and others have expressed concern that Article 13 of the law, which states "the press shall not publish false information which leads to humiliation or contempt of national institutions" could be used to interfere with freedom of the press.

As reflected in a recently issued statement from the office of the First Prime Minister, the government sees the need for stability and prosperity before democracy can flourish, a theme often heard elsewhere in Asia. While Prince Ranariddh's comments raise genuine concern about the future of democracy in Cambodia, they are also supportive of protecting free speech and holding regular, free elections.

CAMBODIA: ECONOMIC AND COMMERCIAL OVERVIEW

Although the economy depends largely on subsistence rice farming, Cambodia has a market economy. It was a radical Communist agrarian state under the Khmer Rouge, and had a centrally planned economy for most of the time of Vietnamese-backed rule, known as the State of Cambodia (SOC) period. Cambodia is primarily agrarian and very poor, with a per capita gross domestic product of approximately \$200. The economy grew by 4-5% during 1994, more slowly than predicted. Inflation, once as high as 150% in the early 1990s, is down to under 30%.

Cambodia is not a major market for U.S. exports. Bilateral trade volume is minimal. In 1994 U.S. exports to Cambodia were approximately \$7.43 million; U.S. imports from Cambodia were about \$1.175 million. Moreover, there is approximately \$500 million in the international aid pipeline for Cambodia. In FY 1995, the U.S. will contribute over \$37 million in bilateral aid to Cambodia. Much of this funding will go to help Cambodia rebuild its shattered infrastructure, creating opportunities for U.S. companies. For example, the U.S. firms Fishbach International and Louis Berger International are serving as prime contractor and engineering coordinator, respectively, for the \$30 million USAID-funded project to rebuild Route 4, one of Cambodia's principal highways. U.S. firms are also interested in exploring opportunities in Cambodia's promising energy sector.

As for overall trade, Cambodia's exports totalled \$302.7 million in 1994. Major exports were natural rubber, rice, pepper, and wood. Imports totalled \$594.1 million, largely international food aid, fuels, consumer goods, and machinery. Cambodia's major trade partners are Singapore, Japan, Thailand, Indonesia, Taiwan, Hong Kong, and Vietnam.

At the March 1995 meetings in Paris of the International Committee on the Reconstruction of Cambodia (ICORC), the Cambodian delegation confirmed its commitment to the objectives of economic development and political stability, through the rule of law, good governance, transparency, administrative and military reform, democracy and respect for human rights. The international community reaffirmed its determination to support these efforts.

CAMBODIA: HUMAN RIGHTS

The National Assembly is still carving out its role as a vital participant in Cambodia's government and its deliberations are still subject to external and partisan pressure. Cambodia's many human rights NGOs did not exist prior to the 1993 elections. USIAD has provided grants to several dozen NGOs working in areas such as health care, community development, vocational and literacy training, micro-enterprises and credit, as well as human rights training and monitoring. NGOs now play an active role in Cambodia, although some groups have faced pressure from the government to quiet their human rights criticisms.

After the recent expulsion of an MP from the National Assembly because he was critical of government policies, and the possible pending expulsion of additional MP's as the result of an intra-party dispute in the Buddhist Liberal Democratic Party, there is concern that expulsion will become the standard method of dealing with government critics and others with dissenting opinions. Another issue of concern is the recently passed Press Law which some groups feel still places restrictions on press freedom.

Sam Rainsy/Potential Expulsions From Parliament: Sam Rainsy, a FUNCINPEC (French acronym for the United Front for an Independent, Neutral, and Co-operative Cambodia) MP was expelled in May from his party for criticism of the government. He was subsequently expelled from the National Assembly because Cambodian law appears to require an MP to be a member of some established political party in order to hold a seat in the Assembly. (This interpretation is disputed.) Following Rainsy's expulsion, the Department issued a statement in which we defended the right of Mr. Rainsy and all Cambodians to express opinions freely, without fear of violence or intimidation. The Department also recognized Cambodians have to find their own solutions to such complex legal and constitutional matters.

One of the six BLDP members expelled from the party is Kem Sokha. Sokha was formerly the head of a Cambodian human rights NGO and is now the chairman of the National Assembly's Human Rights Commission. He has worked closely with the Asia Foundation and the UN Center for Human Rights and is highly regarded within the NGO community for his advocacy of human rights.

Press Law: After a year of controversy and debate, the National Assembly passed a new press law on July 18. The new law contains some liberal provisions such as those which respect the confidentiality of sources and prohibit pre-publication censorship. The law does not contain criminal penalties as it did in earlier drafts. Human rights NGOs and others, however, have expressed concern that some articles of the law use vague and ill-defined language which could be used to interfere with freedom of the press.

CAMBODIA: WOMEN'S ISSUES

The Cambodian Constitution prohibits discrimination based on sex and guarantees equal rights, equal pay for equal work and equal status in marriage. However, while women supposedly enjoy equal property rights with men, have the same status in bringing divorce proceedings, and have equal access to some jobs, they tend to suffer disproportionately from Cambodia's societal ills and are often, in fact, victims of discrimination.

Cultural traditions mean that few women enjoy equal access to education or reach senior positions in government and business, despite the fact that women comprise 64 percent of Cambodia's adult population and head an estimated 25 percent of its households. There are no women ministers or provincial governors, and only a few women in senior government positions. Eight of the National Assembly's 120 members are women.

Health care for women, as for most Cambodians, is poor. Maternal death rates are among the highest in the world, estimated at between 1 percent and 2 percent of deliveries, with abortions performed by village midwives a leading cause of maternal death. Most Khmer mothers have six to seven children during their lifetimes and only recently has the government recognized the importance of family planning. Most Cambodians lack access to family planning services. USAID is beginning a program to increase access to and use of quality reproductive and children's health services, particularly birth spacing, to address this need.

Workers for international and Cambodian non-governmental organizations confirm that violence against women, including rape and domestic abuse, is common. Authorities normally decline to become involved in cases of domestic violence. Even when they do become involved the police lack the training to handle these cases in a sensitive manner. In rural areas battered women are often forced by community and familial pressure to return to their abusive husbands.

Prostitution and trafficking in women, especially young girls, appears to be a growing problem, although there has been little if any systematic examination of these issues. A law on prostitution that will be taken up soon by the National Assembly has been criticized by many women's rights groups for allegedly punishing sex workers more severely than their clients. However, the law would provide for stiff penalties against those who abduct and trade in persons for purpose of prostitution.

A comprehensive "Women's Code" probably will be introduced into the National Assembly shortly. It would provide, among other measures, minimal protections for agricultural workers and domestic servants; make domestic violence punishable as a crime; recognize marital rape as rape; and grant women limited abortion

rights under carefully regulated circumstances. However, given its lack of resources, the government is not well equipped to implement these guarantees.

CAMBODIA: CHILDREN'S ISSUES

The Cambodian Constitution explicitly provides for children's rights, and ensuring the welfare of children is a specific goal of the Royal Cambodian Governments's political program. However, the government relies on international aid to fund most social welfare programs targeted at children and, therefore, the resources devoted to that goal are modest. Over half of Cambodia's population is less than 17 years of age, and 17 percent of the population is under the age of six.

Children frequently suffer from the inadequacy of Cambodia's health care system. Infant mortality is reported at 133 per thousand and one of five children does not live to see its fifth birthday. Three quarters of age one infants are not immunized, and child mortality from preventable diseases is considered high for a country of Cambodia's development. About 40 percent of reported child deaths result from diarrhea. The high prevalence of infectious diseases often exacerbates the effects of malnutrition among children.

There is anecdotal evidence of an alarming growth in child prostitution among Phnom Penh's street children. Efforts to suppress pedophilia in such traditional centers as Thailand is thought to have encouraged a shift in the Southeast Asian child sex trade to Cambodia. However, there have been encouraging signs recently that the Cambodian government is making greater efforts to suppress pedophilia. In a landmark case, the first foreign pedophile was convicted in a Cambodian court in June 1995. The government also has prepared a draft law that would prohibit the trafficking of minors.

Children have suffered disproportionately from landmines, one of Cambodia's most intractable problems. The child victims of war and poverty, disabled by polio, birth defects and vitamin deficiencies, are even more numerous. In the absence of accurate data the number of orphans in Cambodia is estimated at over 200,000. Many children, turned away from overcrowded private and public orphanages, join the growing number of urban street children, especially in Phnom Penh. The extent of child labor in agriculture and light manufacturing has not been adequately surveyed, but child welfare advocates have recently devoted increased attention to this issue.

CAMBODIA: EDUCATION

Cambodian children suffer from an inadequate educational system. Two decades of violence and political turmoil have not only decimated Cambodia's social service systems, but have severely hampered Cambodia's ability to provide these services without external assistance. The majority of educated Cambodians were either killed or driven out of their country under the Khmer Rouge. Although the Vietnamese-backed government attempted to re-establish some social services, including the system of primary education, its efforts fell short. Roughly one percent of Cambodia's primary school teachers have completed high school. Schools often lack textbooks, libraries and furniture and some overcrowded schools have run three sessions daily with up to 120 students per classroom. Daily sessions can last as little as one and one-half to two hours. Absenteeism rates are high, especially for girls. Quality of instruction is poor, and high repeat and dropout rates are the norm.

During his visit, Secretary Christopher signed an agreement that will provide \$2 million in basic education assistance targeted at education for girls and an additional \$4 million in primary education funding for Cambodia. These funds are part of a six-year project that will total \$30 million of U.S. AID assistance to primary education. The focus of the program will be on an ambitious program of providing teacher training for all 46,000 primary school teachers, supplying educational materials, and technical assistance.

CAMBODIA: THE ENVIRONMENT

Cambodia faces a host of potential environmental problems. Projected population growth and the resettlement of displaced persons, and demobilized soldiers will increase pressures on the environment, particularly in urban areas. The country's relatively abundant and unspoiled resources -- including forests, fisheries, minerals, and the Tonle Sap (great lake) -- are being harmed by exploitation. The Khmer Rouge are looting forest and mineral resources in those areas they illegally control along Cambodia's northern and western borders. Although the RCG is taking steps to address the problem, illegal logging is rampant. It is estimated that Cambodia's forests have been reduced by 70% over the past 25 years.

The institutional structure of the government, however, particularly the establishment of the Secretariat of State for the Environment and the National Protected Areas System decreed by King Sihanouk in November 1993, suggests that the government intends to address environmental concerns as the country's development proceeds.

The Splendors of Angkor: Over a period of 300 years, between 900 and 1200 AD, the Khmer Kingdom of Angkor produced some of the world's most magnificent architectural masterpieces on the northern shore of the Tonle Sap, near the present town of Siem Reap. The Angkor area stretches 15 miles east to west and 5 miles north to south. Some 72 major temples or other buildings dot the area.

The principal temple, Angkor Wat, was built between 1112 and 1150 by Suryavarman II. After 1177, temples were altered to reflect a change from Hinduism to Buddhism, and Angkor Wat became a major Buddhist shrine. During the 15th century, nearly all of Angkor was abandoned after Siamese attacks, except Angkor Wat, which remained a shrine for Buddhist pilgrims. The great city and temples remained largely cloaked by the forest until the late 19th century when French archaeologists began a long restoration process. France established the Angkor Conservancy in 1908 to direct restoration of the Angkor complex. For the next 64 years, the Conservancy worked to clear away the forest, repair foundations, and install drains to protect the buildings from their most insidious enemy: water. After 1953, the conservancy became a joint project of the French and Cambodian Governments. Some temples were carefully taken apart stone by stone and reassembled on concrete foundations. Since the Royal Cambodian Government came to power in 1993, international tourism to Angkor has been on the increase.

CAMBODIA: DEMINING

Torn by internal and external warfare for more than two decades, Cambodia is one of the world's most heavily mined countries. Landmines were used extensively in Cambodia during the Vietnam War in the early 1970's, border fighting between Cambodia and Vietnam in the mid 1970's, and the civil war, which began in the late 1970's. The many years of strife have left Cambodia littered with an estimated 10 million landmines.

Cambodia has the world's largest percentage proportion of amputees in its population (1 for every 236), in large part due to landmines and other deadly debris of war. More than 300 Cambodians are killed or maimed by landmines each month; most of the victims are civilians.

The Cambodian Mine Action Center (CMAC) was founded by the UN Transitional Authority in Cambodia (UNTAC) in April 1992 with a mandate to research and identify the locations of landmines nationwide. CMAC employs some 1,500 deminers organized into 42 demining platoons. In addition to training deminers, the CMAC demining school conducts regular refresher training courses for deminers and trains minefield supervisors, explosive ordnance, demining specialists, and instructors in all disciplines.

As of April 1994, CMAC, together with a handful of nongovernmental organizations, had cleared over 10 million square kilometers of mined areas and in the process destroyed over 25,000 antipersonnel landmines, over 150 antitank landmines, and almost 140,000 pieces of unexploded ordnance.

The U.S. became involved in assisting Cambodia with landmines in 1992, when the U.S. Office of Foreign Disaster Assistance (OFDA) provided \$2.36 million to demine approximately 100 kilometers of roads for refugee repatriation. U.S. direct assistance began in 1993, when U.S. military specialists were deployed to Cambodia to help develop mine awareness materials for a comprehensive public information and education campaign. The U.S. humanitarian demining assistance program was expanded dramatically in the summer of 1994, when specialized U.S. military trainers were deployed to help both CMAC and Royal Cambodian Armed Forces (RCAF) personnel improve training techniques for demining, trauma first aid, mine awareness, and administrative management of mine clearance efforts. At present, the U.S. has approximately 30 Special Forces trainers in Cambodia. The U.S. has pledged \$6 million to support Cambodian demining efforts in 1994 and 1995, primarily through providing training and equipment.

CAMBODIA: COUNTERNARCOTICS

Borders with Thailand, Laos and Vietnam, and newly emerging political and legal institutions make Cambodia vulnerable to drug trafficking and drug-related crime. The problems stems in part from its geographic position, but also because Cambodia does not yet have a counter-narcotics law, although a draft law is under consideration by the legislature. There is evidence that drug trafficking is on the increase and that Cambodia is being used to some extent as a transit point for heroin. Other problems include trafficking of opium and, increasingly, amphetamines. Nigerian trafficking groups are known to be active in the area as they are throughout the region.

It has been reported that corrupt elements in the military and government may facilitate drug trafficking. Some prominent businessmen with strong political connections are suspected of direct involvement in the drug trade. Cambodian officials have also pointed to the Khmer Rouge (KR) as a group involved in the drug trade. There is no evidence available to support the charge of KR involvement in drug trafficking.

Use of hard drugs does not seem widespread and there is no credible evidence that opiates or other hard drugs are produced in Cambodia. Cannabis is grown, especially in areas near the Thai border, and is widely used as a seasoning.

Multilateral drug control assistance to Cambodia has been limited. The United Nations International Drug Control Program

(UNDCP) has sent study missions to the area but does not have any programs in the country. Nevertheless, Cambodia was added to the regional multilateral framework for drug control during a UNDCP meeting in Beijing in May.

The Cambodians are interested in counternarcotics assistance from the United States. Assistant Secretary Gelbard visited Cambodia in early June along with officials from the Drug Enforcement Administration. DEA conducted a police training seminar in Cambodia in mid-June, which the U.S. hopes to develop into continuing cooperative efforts. The U.S. is also providing grant assistance to finance a drug analysis laboratory.

Money laundering is a major concern of the Cambodian authorities who see proliferation of domestic banks and casinos as a danger signal. Cambodian customs officials have participated in U.S.-sponsored courses on anti-money-laundering in Thailand during the past two years. DEA and Customs have offered financial enforcement assistance and training. The U.S. is planning to provide technical legal assistance during the final stages of preparation of Cambodian narcotics and money laundering legislation.

USAID runs an administration of justice project that is rebuilding the Cambodian legal profession. Our focus in Cambodia is on assisting in the development of strong democratic institutions, including the justice system and police.

CAMBODIA: THE U.S. EMBASSY

Phnom Penh (E), 27 Eo Street 240;
Mailing address: Box P, APO AP 96546;
tel (855) 23-26436 or (855) 23-26438;
FAX (855) 23-26437

AMB:	Charles H. Twining
AMB SEC:	Louise Ramirez
DCM:	Robert Porter, Jr.
POL:	Mary Grace McGeehan
ECON/COM:	Helen Hudson
CON:	Ken Foster
ADM:	Robert W. Pons
CPO:	James Griffin
AID:	Joseph Goodwin
PAO:	David E. Miller
GSO:	Mark D. Schall
RSO:	Donald W. Weinberg
FAA:	David Knudson
	(resident in Singapore)
FAA/FSIDO:	Dennis Wilham
	(resident in Singapore)
JTF/FA:	Ltc. Charles P. Clayton, USAF

CAMBODIA: USAID PROGRAMS

Cambodia is one of the world's poorest nations with social and economic indicators below most African countries. The devastation of the Pol Pot years, coupled with the neglect of the Vietnamese-aligned regime, left Cambodia without physical or human infrastructure necessary to compete in global markets or meet even the most basic needs of its citizens.

After the 1991 Peace Accord and the elections in 1993, USAID established a bilateral assistance program for Cambodia. USAID's Phnom Penh office opened in 1992. The goal of USAID's program is to support the nation-building effort which is being undertaken by the Cambodia people. USAID's assistance strategy is built on three objectives: strengthening pluralism and governance; supporting broad-based economic growth; and, meeting targeted basic human needs.

Because of the government's weak accountability and implementation capacity, USAID's program is being implemented through direct USAID contracts, grants and cooperative agreements, to more than 30 U.S. and Cambodian PVOs. Although there is no direct assistance to the government, USAID's intent is to build governmental capacity. Government officials are directly involved in developing program plans and government employees are among the primary beneficiaries of NGO training programs.

USAID supports projects in democracy and governance, road construction and rehabilitation, family health services, technical support to strengthen government institutions, primary education, and basic human needs. USAID assistance has, for example, demined and rehabilitated more than 500 kilometers of rural roads, allowing the repatriation of 360,000 refugees and making markets more accessible to rural residents; assisted the National Assembly to set up committees and a resource center and provided training in parliamentary procedure; and helped to increase transparency in the courts and respect for due process. USAID assistance levels for Cambodia have remained significant since the 1993 elections (\$29.3 million in FY 1994 and \$41 million in FY 1995, including \$5.5 million in emergency food assistance), but ESF reductions in FY 1996 threaten levels for continued assistance to Cambodia. The Administration's FY 1996 ESF request for Cambodia was \$39.5 million. No Development Assistance (DA) funds were requested because Cambodia is a country in transition.

Donor programs and donor coordination in Cambodia have been undertaken within the context of the International Committee on the Reconstruction of Cambodia (ICORC), which was established as part of the Paris Peace Accord in 1991. ICORC has generated nearly \$1.5 billion in donor pledges from 30 countries and 14

international organizations. However, a recent Cambodian study of donor pledges documented lagging disbursements.

CAMBODIA: ETIQUETTE

Greetings: Cambodians traditionally greet each other by pressing their hands together in front of their bodies and bowing. In recent decades, this custom has been partially replaced by the Western practice of shaking hands. Although men tend to shake hands with one another nowadays, many women use the traditional greeting with both men and women. It is considered acceptable for foreign visitors to shake hands with both Cambodian men and women.

When visiting temples or other religious sites, etiquette is mostly a matter of common sense. Shoes should be removed before entering the sanctuary (vihara). If the visitor sits in front of the dais on which the Buddha is placed, she or he should sit with feet to the side rather than in the lotus position. One should never point one's finger or the soles of the feet toward others. It is improper to pat children on the head. You should not signal someone to come over to you by using the index finger with the palm pointed skyward. Instead, motion with the whole hand held palm down, bending the fingers toward the body.

Flag: Two horizontal blue bands, divided by a wider red band on which is centered a white stylized representation of Angkor Wat

Exchange rate: 2,300 riels = \$1 (August, 1995).

draft:EAP/VLC:DKingsland 8/8/95
73133 SEVLC 14751
clear:EAP:WLord
EAP:KWiedemann
EAP/VLC:EReddick

SCOPE PAPER FOR THE FIRST LADY'S TRIP TO MONGOLIA

I. INTRODUCTION

In contrast to the delicate state of our relations with China, relations between the United States and Mongolia are excellent. There are no contentious bilateral issues that could mar your trip, which is viewed in Ulaanbaatar as a goodwill visit. In travelling to Mongolia you will be putting the American "seal of approval" on what is a quiet success story of transition from a closed communist system to a much more open, pluralistic and market-oriented nation. The Mongolians are warm and gracious hosts who pride themselves on their hospitality, so the visit is a certain success from the outset.

Although there remains an unresolved teachers' strike and some ferment as the three main political parties gear up for the June 1996 elections, the internal political situation is quite stable. President Ochirbat successfully mediated in the debate over reform of the election law, and the parties have now agreed to amend the election law when the legislature reconvenes in October. The government and opposition have yet to arrive at a workable compromise on the language of a press law setting out rights and obligations of the government and the fourth estate, but the debate does not appear to be getting out of hand. There are no political prisoners, and the country's record on basic human rights is also excellent.

Our verbal support for Mongolian democracy, however, is running up against the reality of our declining resources. We pledged over thirteen million dollars at the 1994 Tokyo donors' meeting, and were able to give only \$10.6 million. Next fiscal year we are facing a drop to \$3.8 million. We have worked hard to offset these declines by intensifying our relations in culture, science, and military/security activities. But we have to continue to be careful that our rhetoric and our resources do not get too far out of kilter.

President Ochirbat believes he has an invitation from the President to visit Washington in October, citing a brief encounter in Moscow at the V-E Day commemoration. In fact, the Administration is not proposing to invite Ochirbat to Washington, but a Clinton-Ochirbat meeting in New York at the UN General Assembly is a possibility.

II. OBJECTIVES

- Demonstrate American support for Mongolia's political and economic transition to democracy and open markets.

-- Agree to convey back to the White House Ochirbat's interest in a meeting in October with the President.

MONGOLIA: U.S./MONGOLIA RELATIONS

The United States established diplomatic relations with Mongolia on January 27, 1987, and opened its Embassy in Ulaanbaatar in 1988. The original staff was three Americans with a telex machine; the first telegram ever sent to the Embassy was delivered to the Soviet Embassy. The local telegraph office didn't believe the U.S. Embassy was really here.

Relations accelerated dramatically following the peaceful democratic changes that began in the spring of 1990. Demonstrations which began in sub-zero weather culminated with the resignation of the Communist Party Politburo, legalization of other political parties, pluralistic elections, and the writing of a new constitution.

The driving force in the relationship in the first two years was the visits by Secretary of State Baker (1990 and 1991) and the first ever visit by a Mongolian President to the White House (January 1991). When the Mongolian economy went into free-fall following the abrupt withdrawal of Soviet aid, the U.S. and Japan took the lead role in establishing an international "Donors Group" to bring emergency assistance to Mongolia.

By the end of 1996, the U.S. will have given \$35 million to Mongolia's energy sector, and donations of USDA commodities will have exceeded \$20 million. Over the past two years, there has also been a sharp growth in cultural and scientific contacts. Aside from the scientific cooperation on dinosaur-hunting, carried out by the American Museum of Natural History, our government contacts include: establishment of a seismic monitoring station with funding from the USGS, a remote sensing center using NASA-supplied equipment, air monitoring and global climate change programs run by NOAA and NSF, and active involvement in getting a full internet connection here by the end of 1995.

Military-to-military contacts have also become an important feature of our relationship. U.S. engineers built a gymnasium at a school for gifted students in the summer of 1994, and a second group of engineers have been working on improvements at the same school this summer. The Minister of Defense is scheduled to attend the World War II commemoration in Hawaii in September.

There are 32 Peace Corps volunteers now in Mongolia, working mainly on English teaching and small business development. Our cultural programs which are the newest part of our Embassy (dating only from 1993) have helped bring the largest exhibit of Mongolian art ever seen in the United States. The exhibit opened in mid-July in San Francisco and will be in Washington at the

National Geographic in the Spring of 1996. We have established a Fulbright program and are working on as many educational and scientific exchanges as funding will allow.

MONGOLIA: THE U.S. EMBASSY

Embassy Ulaanbaatar is without a doubt one of the most challenging assignments in the Foreign Service. It is the coldest capital city in the world, with winter temperatures often staying well below zero fahrenheit for weeks at a time. The staff is housed in an apartment building that is affectionately - and accurately -- described as "Fawltty Towers." There are no tennis courts, swimming pools, bowling alleys or squash courts.

All embassy officers have volunteered for their posts, and Ambassador Johnson and the rest of the staff pride themselves on running an active and user-friendly embassy. They are particularly proud of their efforts to reach out to the resident American community, to increase bilateral trade, and to build scientific relations.

Four U.S. agencies are represented in Ulaanbaatar: State (6 officers), USIA (1), USAID (2), And Peace Corps (2 permanent staff, 2 contractors). There is also a non-resident defense attache who covers military relations from Beijing.

Ambassador Johnson speaks Mongolian, Russian, and Chinese, and has travelled extensively throughout the country. He and his wife Nelda arrived at post in September 1993.

MONGOLIA: POLITICAL OVERVIEW

Mongolia is a "good news" story that is virtually unknown in the United States. The country has transformed itself from a one-party communist dictatorship into a pluralist political system very seriously and quietly. It has done so without bloodshed, with much public debate, and with very little recognition. The political change has also been carried out at a time of acute economic distress, as the country has faced the loss of Soviet aid and the need to create the mechanism of a market economy.

When one considers the amount of change that the Mongolian system has absorbed in the space of just over five years, the peacefulness with which it has been achieved is truly striking. Elections have been free and internationally monitored. A new constitution was drafted in 1992, and is being respected. There are no political prisoners. Freedom of religion is respected, and there are now several hundred foreign missionaries working in the country. People travel freely in and out of the country. While the government still has an excessively large influence over broadcast and print media, dozens of small newspapers

representing a wide spectrum of political and social views are now being published.

The most contentious issue over the past few months has involved the election law. In the 1992 elections, which were held under a law that the opposition helped to draft, the fragmentation of opposition parties led to a very odd result. Although the opposition parties polled 43% of the total vote, they ended up with only 10% of the seats in the unicameral legislature. They have pushed for reform of the election law to create a mixed proportional and majoritarian system. President Ochirbat successfully mediated in this sensitive problem, and the parties have now agreed to amend the election law when the legislature reconvenes in October.

The political system also has been wrestling with a strike by teachers. Erosion of teachers' living standards over the past five years caused large numbers of the country's teachers to go on strike in April. As of August, the strike remained unsettled. The teachers demanded that their pay be tripled, something that would of course touch off similar demands by health workers and just about every other civil servant, and in turn spark an explosion of inflation. With elections coming up in 1996, the government does not feel that it can ignore the teachers, but it does not have much money to offer them, either.

MONGOLIA: AMERICAN COMMERCIAL RELATIONS

American investment in Mongolia is concentrated in four main areas: oil exploration, cashmere, copper, and uranium. In addition, the U.S. market is the ultimate destination for the textiles produced by a Canadian venture which directly or indirectly employs over a thousand workers.

Oil -- Nescor and Soco, two small U.S. companies headquartered in Texas are the only oil companies working in Mongolia at this time. Nescor is working in Eastern Gobi Province, restoring wells abandoned during the Soviet era, and planning to drill new wells in a promising location called Tsaagan Els. Soco is searching for oil in the country's easternmost province of Dornod. They have budgeted \$5 million for two wells this year. The first one went down to ten thousand feet and turned out to be a dry hole. The second well will be drilled in August.

Cashmere -- Amicale Industries opened a state of the art cashmere scouring and dehairing plant in April, 1995. These are the two first steps for processing of raw cashmere, and essential for doing high-quality fiber and garment production. Forte Co. has also opened a smaller operation to do the same processes.

Copper -- Mongolia has one of the world's largest open-pit copper and molybdenum mines at Erdenet. This venture is a joint Russian-Mongolian operation, but the quality of the ore is declining, and additional investment is required if Erdenet is to keep its position as the country's leading earner of foreign exchange. Nescor has created a joint venture for an investment of \$6 to 8 million for a copper leaching plant that will extract pure copper from the waste tailings at the mine. If they are successful, the next step would be a \$40 million investment to expand their operation.

Uranium -- Although world uranium prices are depressed, two American firms have established joint ventures here. One is at the once-secret Mardai mining complex, the other down in Central Gobi Aimag, in the Cho depression. Total investment in both projects will be about \$4 million for field work and other studies.

In October, 1994, the United States and Mongolia signed a Bilateral Investment Treaty -- the first with a post-communist country in Asia. The treaty has been ratified by the Mongolian parliament, but is still pending action by the U.S. Senate. There is no controversy about the treaty, but our process takes longer.

There remain additional possibilities for U.S. investment here in minerals, textiles, tourism, and leather goods, but because of Mongolia's remoteness from the American market, the process is a slow one. There is a U.S.-Mongolia business council in Washington, however, and it is taking an active role in trying to stimulate interest in Mongolia among the U.S. business community.

MONGOLIA: ECONOMIC AND COMMERCIAL OVERVIEW

Following sweeping political changes in 1990, Mongolia embarked on an ambitious program of economic reforms aimed at replacing the centrally planned economy. This goal was pursued against the background of a series of severe external shocks, notably the termination of the Soviet Union's trade support and foreign aid, the value of which comprised about one-third of Mongolia's GDP. The country was not alone in suffering the end of Soviet assistance, but the impact was particularly severe for Mongolia since 90% of its trade had been with the Soviet Union.

In the years immediately after the reform program began, the economy steadily worsened. output declined, the balance of payments deteriorated and inflation grew rapidly, reaching a rate of almost 400% annually. Rich and poor classes developed, and the Mongolian social safety net was not what had been hoped for. Nonetheless, Mongolia remained committed to reform. It has closely followed the recommendations of IMF advisors and, in turn, used the IMF-provided enhanced structural adjustment

facility (ESAF) to slow the decline of the economy. During the 1993-94 period, the economy hit bottom and began to rebound. In 1994, Mongolia achieved its first real growth since the reform process began, with an improvement of 2.4%. This year, the economy is projected to grow about three percent.

So far this year, unemployment has reached a four-year low, and inflation is on a steady downward course. The IMF believes that Mongolia has done reasonably well, and most Mongolian Government officials, as well as the bulk of outside observers, remain fairly optimistic about the prospects for the economy.

Mongolia's long-term growth depends principally on the establishment of a functioning infrastructure and the development of the available industrial opportunities. Mongolia has two main potential growth areas: mineral and petroleum extraction and textile manufacturing. While tourism offers some potential, it is limited by the short summer and the expense of travel to the country.

In October 1994, the U.S. and Mongolia signed a bilateral investment treaty, an important step for the protection of American investment (this treaty still needs to be ratified by the Senate). Mongolia has also been working hard to become a member of the WTO. We have sought relatively sharp drops in tariff rates, and this initially caused some difficulty for the Mongolian government because of a fear of an influx of goods from China. Progress has been made since that time, however, and a satisfactory bilateral outcome may be achieved in the next few months.

Several American companies are actively exploring for oil in Mongolia. A few companies have expressed interest in Mongolia's mineral resources, and joint ventures have been established for gold and uranium. While Mongolia is rich in mineral resources, it is seeking investment at a time when countries throughout the region (and the world) are seeking the same. Despite its thirst for foreign investment, Mongolia's location, harsh operating conditions, lack of experience, and relatively cumbersome bureaucracies often put it at a disadvantage in the quest for investors.

MONGOLIA: USAID PROGRAMS

U.S. assistance to Mongolia supports U.S. interests by fostering a free-market economy and democracy in a buffer country between Russia and China.

During FY 93-95, USAID delivered enough spare parts, equipment and materials to keep a vital power plant and coal mines from collapse. USAID's leading role in energy assistance helped mobilize other donor support and helped the Mongolian government plan and initiate interim and long-term capital

improvements that will eventually restore adequate energy services.

USAID is assisting the Government of Mongolia to establish and implement sound, growth-oriented economic policies and practices. USAID is providing technical assistance to the Prime Minister's office and training for key officials.

USAID is also supporting a variety of activities to encourage the development of the private sector. USAID helped the Mongolian Chamber of Commerce provide business services and advice to local and international entrepreneurs. Through the Institute for Reform of the Informal Sector, USAID provided training in public policy and economics for key decision makers, both within and outside government. The Mongolian Bankers' Association, established with support from USAID, began to offer courses in a variety of commercial banking areas with the assistance of the Financial Services Volunteer Corps.

USAID support, working with the Asia Foundation, for the Mongolian democratization process focuses on: expanding the capabilities and professionalism of members of parliament; developing an independent judiciary; promoting legal education; establishing an independent bar association; promoting public participation in civic affairs, including greater involvement of women and NGOs; and encouraging the decentralization of government.

Other donors: The International Monetary Fund, the World Bank, and the Asian Development Bank have worked with the Government of Mongolia to accomplish many of the key reforms taken to date and to establish detailed policy agendas that will guide the reform program over the next three years. In addition, the World Bank and the Asian Development Bank are working on sectoral policy agendas, including transportation and energy -- both critical to ensuring the success of the transition to a market economy and democratic government.

As a follow-on to USAID emergency energy assistance, other donors are now providing most energy sector commodity and renovation assistance.

USAID assistance (in thousands of dollars)

FY 1994 appropriation:	10,292
FY 1995 appropriation:	5,150
FY 1996 request:	10,800

MONGOLIA: ENERGY ISSUES

The world's coldest capital city -- where the radiators are turned on in September and kept going until the following May --

depends on three dilapidated and poorly run electric power plants and on coal mines where production has been dropping over the last several years. In each of the last four winters, the system has teetered on the brink of collapse, either through lack of spare parts, lack of coal, or colossal human errors.

Each year Ulaanbaatar has managed to muddle through, however. In the winter of 1994-95 the relatively mild winter helped considerably, which was fortuitous given that coal reserves at power plant #3 sometimes were down to less than a week.

A report issued by the World Bank in June, 1995, laid out the dimensions of Mongolia's energy problems: the country needs between \$257 and \$335 million dollars over the next five years to repair and rehabilitate this vital sector. This includes \$55 to \$85 for rehabilitation of coal mines, \$110 to \$140 for rehabilitation work at power plants #3 and #4, and \$37 to \$45 million for district heating rehabilitation.

From the outset of Mongolia's democratic transition, the United States has realized that democracy and energy have a unique linkage here that they may not have elsewhere. With 27 percent of the nation's population located in Ulaanbaatar, a shutdown of any one of the two main power stations would have catastrophic economic consequences. Since the power plants supply both electricity and hot water for radiators, a shutdown would mean that the poorly insulated concrete apartment buildings of Ulaanbaatar would freeze up within a matter of hours of a plant shutdown.

Because of this, the USAID program in Mongolia has been uniquely focused on energy issues. Of a pledged amount of \$35 million, the United States has provided Mongolia \$32.1 million so far. This has gone to buy spare parts for the mines and power plants, training for plant management, and the services of a team from the Morrison-Knudsen company which has worked in Mongolia since 1993.

Our goal was never defined in terms of solving the energy system's myriad problems, but rather to keep the system going long enough so that an orderly handoff could be made to the major international financial institutions (the ADB and World Bank) who will have to finance the major infrastructure changes required to make the Mongolian energy system reliable. With our final installment of \$3 million in FY 96, we should be able to complete this goal successfully. The ADB is poised to begin work in this sector in the spring of 1996.

More work needs to be done in Mongolia to rationalize pricing and clear intra-enterprise arrears. Right now every link in the system owes money to every other one: consumers don't pay the power plants, who don't pay the railroads, who don't pay the coal mines. all of these enterprises remain state owned, so

eventually the government is asked to come up with subsidies to clear out the problem.

MONGOLIA: WOMEN'S ISSUES

Mongolian women have traditionally enjoyed a higher status than women in many other Asian countries. Although Genghis Khan may have struck terror into the hearts of most of Central Asia, he lived in mortal fear of his mother until her dying day, and his principal wife, Borte, was a trusted adviser.

The socialist period between 1924 and 1990 reinforced egalitarian tendencies. At the end of the socialist period, 96 percent of Mongolian women were literate; 43 percent of all university and technical college graduates were women; 70 percent of all doctors were female; and women dominated the education, health and banking sectors. The availability of kindergartens and creches meant that 86 percent of all Mongolian women were in the labor force.

In two areas -- pensions and health benefits -- it is now quite clear that the former socialist benefits were too generous, and could not be sustained except by massive infusions of soviet budget support. Women were allowed to retire on pension at age 50 and take two years of paid maternity leave, for example.

Since the abrupt withdrawal of Soviet assistance in 1990, Mongolian women and national policy-makers have had to wrestle with the problem of how to maintain the high level of services for women during a time of declining resources. There is little doubt that the cutbacks in the health budget are connected to the rise of maternal and infant mortality over the past several years. There is also a broad social consensus among Mongolians for the maintenance of very generous health and maternity benefits.

The impact on women in education has been less pronounced. Since 1990, more boys than girls have dropped out of school. Male school enrollment is declining faster than female enrollment at all levels. Unemployment by women does not appear to have grown disproportionately to that of men. The economic dislocations since 1990 have heightened public debate on two issues particularly affecting women: domestic violence -- primarily related to the country's widespread alcohol abuse -- and the distress of poor families headed by single women. Mongolian and foreign assistance programs are addressing directly both of these problems.

United States assistance through our commodity donations has also attempted to funnel credit programs to women in rural areas. While our evidence is anecdotal and fragmentary, we have visited numerous small enterprises in rural areas where women have succeeded in getting and using these credits successfully.

If the makeup of the cabinet is any indication, there is still a glass ceiling for advancement of women in political life. Only 3 of 76 members of the legislature are women, and there are no women in the cabinet. Women make up most of the teachers in the schools, but school directors and university rectors are still mostly men.

MONGOLIA: POPULATION AND FAMILY PLANNING

During the socialist period, Mongolia pursued an active pronatalist policy. Abortion was outlawed, family planning devices were not available, and mothers with large families received rewards in the form of decorations and early pensions. Between 1935 and 1995, the country's population tripled from 738,000 to the present 2.3 million.

As a result of this policy, the country now has an extremely young population. About 43 percent of the population is under 16. More than half of the population is under 25. The average age of the total population is 22.5.

Women make up just over half of the population at 50.1%. Average life expectancy is 63 years, with female life expectancy at 66 years, while average male life expectancy is 62. Women in the reproductive age group (16 to 49 years of age) account for about 23% of the population, so it is clear that the population will continue to grow.

Abortion was made legal again in late 1989. In 1990 there were about 29,690 abortions, equivalent to 57.8 per thousand women, or 386.2 per thousand live births.

The number of births fell from 72,306 in 1990 to 70,554 in 1991 and 62,900 in 1992. Between 1980 and 1993, the total fertility rate fell from 6.3 to 3.7 births per woman of childbearing age. This reduction in fertility can be attributed to a variety of factors -- the increased availability of abortion and contraceptive devices, the nation's economic crisis and the concomitant drop in living standards, and the impact of urbanization.

The United States Government has no population programs in Mongolia.

MONGOLIA: CHILDREN'S ISSUES

There are some things that a command economy does well: it can order families to vaccinate their children, and it can require them to send their kids to school. During the socialist period Mongolia succeeded in creating a very literate population with widespread access to health care. Literacy was over 90

percent, and the country had wiped out such diseases as polio and measles.

These achievements have been eroding over the past five years. For example, in 1990 education accounted for 17.6 percent of government expenditures and 11.3 percent of GDP. By 1993, education was getting 15 percent of the state budget, and this accounted for only 3.6 percent of gdp. In 1993, nearly a quarter (23%) of school-age children were not enrolled in school. The number of school dropouts has increased five times since 1990 (from about 17,000 to over 100,000 in 1993). The number of children attending the country's 399 boarding schools -- i.e., the schools where nomadic herdsmen send their children -- has fallen by 30,000 or 35 percent.

In the rural areas, the privatization of the herds has meant that the value of children's labor has increased. This is not the only factor driving children out of the school system, however. Because many rural schools cannot get money for heating, they have closed down. The institution of fees at the boarding schools has also pushed poorer students out of the educational system.

Most Mongolians are deeply family-oriented and proud of their children. While the socialist period certainly pushed a pronatalist policy, it was working in an environment where large families are considered a blessing. Hence the reluctance of the society to come to grips with the following problem: in Ulaanbaatar, the economic crisis has produced a phenomenon previously unknown in this country -- homeless street children. They are either runaways or throwaways, pushed out of their families by family breakup, alcoholism, or indifference. Estimates vary, but in Ulaanbaatar alone there could be as many as 4000 street children. Smaller numbers of street children can be found in Darhan. They live in heating ducts during the depths of winter and cadge meals and rides where they can. The center for street children in Ulaanbaatar is doing all it can to reverse this problem, but the impetus for this effort has come in the first instance from foreigners and international organizations.

MONGOLIA: HEALTH ISSUES

Mongolia's biggest public health problem is alcohol abuse. It affects all social strata and all age groups. It is one of the principal causes of violence against women and family breakups. In one of its recent sessions the national legislature passed a law aimed at curbing alcohol abuse, but implementation has been spotty at best. Over the long term social attitudes -- which attach relatively little stigma to public drunkenness -- are what need to be changed most.

Mongolia has set out the following agenda for women and health:

- Reduce maternal mortality rate from 180 per 100,000 live births by 1995, and to 105 by the year 2000.
- Increase the percentage of births attended by trained personnel to 98 percent by 1995, and 100 percent by the year 2000.
- Increase the percentage of pregnant mothers receiving adequate prenatal care in the first trimester to 70 percent by 1995, and 75 percent by the year 2000.
- Increased training of family planning workers and mid-wives, incorporating health care issues into the school curriculum, and doing more radio and tv broadcast programs on health issues.
- Create additional kindergartens, public and private.
- Finance the kindergarten costs of poor families from the government budget.

This plan, which was adopted in May 1993 is extremely ambitious, probably overly so given the financial resources available to the government. It is a roadmap, however, that can be reviewed periodically and the targets are ones which the government of Mongolia has set for itself.

Other health problems: AIDS is not seen as a big problem here, and official statistics recognize only one clearly confirmed case. STD's are a growing problem, however, and health officials are concerned that relaxed attitudes toward sexuality will lead to a significant increase in AIDS cases. The country is extremely proud of the work it did in the 1920's and 30's to wipe out syphilis, which was rampant among the population, so it is concerned about a resurgence of sexually transmitted diseases.

MONGOLIA: THE ENVIRONMENT

With an area of 604,000 square miles (slightly larger than Alaska), and a population of only 2.3 million (about the size of Arkansas), Mongolia has one of the world's lowest population densities. The country's herd of horses, cows, sheep, goats, and camels outnumbers the population by a factor of about 11 to 1.

Moreover, when one considers that 27% of the country's total population lives in greater Ulaanbaatar, it is easy to see why this country is the most pristine country in Asia.

This is a country with hardly any fences. In the country's easternmost province, huge herds of gazelle run free across the grasslands. Smaller herds can be seen in the Gobi. There are wild camels, asses, Yangir Goats, and Argali sheep. In the Altai mountains there are snow leopards, bear and herds of moose.

Because most Mongolians don't eat fish for religious reasons, the Selenge, Orhon, and Halhin rivers are excellent for fishing.

Because of their centuries as pastoral nomads, Mongolians have traditionally maintained a deep respect for nature and a sensitivity to the balance of nature. This is a country where hunting is far from unknown, but where there are strong rules about hunting seasons. As one would expect from a sheepherding country, they hate wolves, and the hunting season for wolves is year-round.

Two huge tracts of land have been set aside for national parks -- one in the south Gobi, the other around Hovsgol Lake (a geologic cousin of Lake Baikal). Oil used to move from Russia across the lake, but that has been prohibited. In the Gobi, efforts are being made to re-introduce the Przewalski horse, which came within a hair's-breadth of extinction.

The main environmental problem areas are urban pollution, particularly around Ulaanbaatar, and overgrazing of some of the lands. Solution of the first problem is principally constrained by lack of funds; there is no immediate relief in sight, and winter smog will continue to be one of the less attractive features of life in the capital for some years to come. As for overgrazing, this is a secondary consequence of the privatization of the herds. Private ownership has provided the incentive for herdsmen to increase their herds, and in some areas this is putting strain on the grasslands. With no private ownership of land, the allocation of grazing land is done through a complex informal system of tradition and local dispute resolution.

MONGOLIA: EDUCATION

Sadly, the next generation of Mongolians is likely to be less literate than the one that preceded it. As noted in other briefing papers, the number of students in primary education has been dropping in recent years, and the percentage of GDP going to education has also been decreasing.

The phenomenon is worse in the rural areas, where privatization of herds and the closing of schools for lack of energy has meant that more children, particularly boys, have been leaving school without completing the compulsory eight-year course of education.

In the urban areas of Ulaanbaatar the problem seems less acute. Social pressures and government enforcement of schooling requirements are stronger, and parents do not see an economic advantage to taking their children out of school as they do in the rural areas where children can be sent out to mind the sheep and goats.

At the university level, the situation is brighter. A number of private colleges have sprung up, teaching everything from Korean to Spanish to computers. There are more contacts with Western institutions than ever before. The textbooks are not limited to Russian language texts as they were ten years ago. Mongolian students have made huge strides in English language ability; it is truly amazing to watch the number of students studying English. The U.S. is actively involved in education through the presence of our 32 Peace Corps volunteers, the majority of whom are teaching English or English language methodology. They are located not only in Ulaanbaatar, but in the regional centers as well. In addition, there are a number of missionaries and quasi-missionaries who are teaching English as well. We have also trained a number of Mongolian military officers as English language instructors and provided a language laboratory for the military academy.

MONGOLIA: ETIQUETTE

Mongolians have been living in gers ("yurt" is the Turkish word, which made its way into English before the Mongolian word did) for hundreds, maybe thousands of years. Although the space is quite small, the ger is a powerful symbol of "home" to Mongolians and you should not be surprised to know that there is a complex web of rituals and practices regulating what one does inside it.

You may not know where you are, but you can orient yourself by looking at a ger. The door -- any there is only one -- always faces south. The logic for this is inescapable, since the cold winds always blow from the north. The architecture is very simple, but a well-built ger can withstand winds of over 50 mph. The central dome is supported by two poles. Radiating from the dome are poles, almost always painted red, that are lashed to the walls. These walls are a collapsible lattice tied together to give the circular shape. The lattice is covered by felt, which is in turn covered by canvas. Horse-hair ropes tied around the outside and anchored with weights help give the ger stability.

The central feature of the ger is the hearth, and it is the object of considerable respect and reverence. The fireplace is the first part to be set up and the last to be taken down when the ger is being moved. In the west it is considered polite to stretch one's feet toward the fire; this is considered very improper behavior in a ger.

Directly opposite the door (i.e., on the north side of the ger) is the place of honor. This is where the family keeps its Buddhist shrine and its most treasured pictures. It is not impolite to look.

The eastern side of the ger is considered the ladies' section, while the western part is considered the men's section.

The exception, of course, is when guests arrive. These are always received on the western side of the ger, and arranged in protocol order.

One should enter the ger and proceed clockwise (to your left) around the fireplace. The most senior guest will be seated next to the host. On arrival -- or shortly after -- your host may approach you with a bolt of blue silk draped over his arms cradling a silver bowl brimming with mare's milk. You let the bolt of silk and the bowl be placed in your hands, raise the bowl to your lips, and take a drink. A symbolic sip is fine. You are expected to keep both the silk and the bowl. The blue silk (called a "hatag" in Mongolian) should be folded carefully and placed inside your coat or purse.

Aside from the "hatag" ritual, there are a number of other arrival/greeting rituals which take place immediately after entering the ger. There are a series of polite questions that one ought to ask: "are you having a good spring (or summer, fall, winter)?"; "what's the news?" (answer: "everything's peaceful" even if it isn't); "are your animals fat?" It may seem curious to us that in Mongolia one asks about the condition of a herdsman's animals before asking after the health of his wife and kids; on the other hand, if the animals aren't doing well, it's a sure thing that the rest of the family isn't going to be doing well either.

Another ritual is the exchange of snuff bottles. The host will unwrap his bottle from a small pouch that is stuffed into his del (the ubiquitous Mongolian coat), and pass it to you while cradling it in his right hand. One should take it in the same way, saying "thank you" (bayarlalaa). If you're not into snuff, all that you're required to do is raise it to your nose, sniff it a couple of times, then politely pass it back in the same way you receive it. Some of these snuff bottles are real works of art, made of jade with coral tops, and passed from generation to generation.

Mongolians consider it a great offense not to offer hospitality to a guest. They will therefore offer you the very best of anything they have. Usually this means salt milk tea (suutei tsai), fermented mare's milk (airak), any other milk product on hand, and mutton. The offering of food is always done by the woman of the house. You may notice that the cup or bowl will be offered with the right hand while the left touches the elbow or forearm. The recipient should receive the offering in like manner.

Some Americans think that fermented mare's milk is dreadful. Tastes differ. If you think of it as a cross between yogurt and beer, it may help. Protocol does not require you to drink or eat everything put before you, but only that you taste it and show appreciation for the hospitality. If you raise the bowl to your lips and take a sip, and don't look like it's your grandmother

forcing you to eat brussels sprouts when you were six, that's fine.

A guest never offers to pay the host for hospitality. Westerners often feel extremely uncomfortable with the knowledge that they are eating and drinking the food of people who don't have a lot, so here are some suggestions. One popular gift is a Polaroid picture; these pictures are invariably received with delight. Another way to express appreciation is to bring candy or small gifts to give to the herdsman's children. Likewise, if women in the visiting group offer a small gift to the host's wife, it is considered a polite and friendly gesture.

Disengaging from the visit is done slowly. Don't expect to rush into the ger, say hi, and be out the door in two minutes. Even the shortest polite visit takes fifteen or twenty minutes. There will be a general popping in and out of people coming to see who the visitors are.

Remember, nobody is going to test you on this subject. The friendliness in your eyes is more important than what you know about passing a snuff bottle.

Doc: SECMPOL 13199

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002a. paper	Scope Paper for the First Lady's Trip to Thailand (4 pages)	08/07/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Asian Affairs (Kristoff, Sandra)
OA/Box Number: 1038

FOLDER TITLE:

Beijing Women's Conference

2012-0094-F

ke3909

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THAILAND: POLITICAL OVERVIEW

Since the 1930's, when a non-violent coup ended absolute rule by the Thai King, Thailand has moved slowly towards ever wider participation by the Thai citizenry in government. Initially, bureaucratic elites held effective governmental power, with the "military bureaucrats" the most consistent winners in the contest for influence. However, as Thailand has developed, new groups demanding full democratic participation have emerged in Thai cities and towns. Under the current Thai Army Commander, General Wimol, the military seems prepared to remain on the sidelines, and give Thai democracy a chance.

As a sign of its maturing democracy, Thailand held generally fair and peaceful parliamentary elections on July 2. In an election marked by few ideological differences, the government of Prime Minister Chuan Leekpai, which was tainted by a land reform scandal, was ousted in favor of a coalition led by Thai Nation Party (TNP) leader Banharn Silpa-Archa. These were the first national elections held in Thailand since September 1992 when the election of Democratic Party leader Chuan restored democracy following a coup in 1991 and street disturbances in Bangkok. During his tenure, Chuan sought to strengthen democratic institutions and decentralize government, pushing down the level at which decisions are made nearer to the people. He also expanded concern for human rights and opportunities for women. Chuan made some progress on a long-term goal of sharing the benefits of Thailand's economic growth with the majority of Thai who still live in rural areas.

Prime Minister Banharn's seven-party coalition government was sworn in on July 20, 1995. Though it is too early to determine what initiatives the new government will pursue, we do not expect Banharn's foreign and trade policies to stray significantly from those of his predecessor. As Foreign Minister, Banharn chose Kasem Kasemsri, a seasoned diplomat who enjoys a history of good relations with the United States.

Banharn, long dogged by charges of corruption, has come under criticism in Thailand for what many consider weak or unqualified cabinet choices. Of import to U.S.-Thai bilateral relations, two TNP senior officials, denied U.S. visas because of suspected drug trafficking, were not offered cabinet positions, at least for the time being. These officials continue to press for clarification of their positions and have accused the U.S. of interference in Thai domestic politics.

Thailand has been very cooperative with us on a broad spectrum of regional issues ranging from refugees to counternarcotics. Relations with Cambodia have improved significantly as the Royal Thai Government (RTG) has worked to enforce its policy of no support for the Khmer Rouge. Though the RTG shares our desire to see democracy returned to Burma, the

government has pursued a policy of "constructive engagement" as a means of influencing Burma's leaders. Thailand plays an active role in ASEAN and has generally supported our efforts in APEC.

Drafted:EAP/TB:DPittman

SETB 10140 8/7/95

647-7108

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
EAP/TB:RGodec
P:DRussel
INL/P:JBrennan

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. paper	Thailand: Economic and Commercial Overview (3 pages)	08/07/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Asian Affairs (Kristoff, Sandra)
OA/Box Number: 1038

FOLDER TITLE:

Beijing Women's Conference

2012-0094-F
ke3909

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

SENSITIVE BUT UNCLASSIFIED

U.S. - THAI RELATIONS

U.S. relations with Thailand date back to 1821, when the first American trading ship arrived in what was then known as Siam. The first American envoy to visit Siam negotiated a Treaty of Amity and Commerce in 1833, the U.S.'s first accord with any Asian nation. The Consulate was upgraded to a Legation in 1880 and to an Embassy in 1947.

When the Japanese occupied Thailand (the name had been changed in 1939) in December 1941, the government in Bangkok allied itself with Japan and declared war against Great Britain and the United States. However, the Thai Minister to the U.S. refused to deliver the declaration of war, believing that it did not reflect the will of the Thai people. He helped organize a "Free Thai Movement," which worked closely with the United States in coordination with underground resistance members in Thailand. Due to the U.S. designation of Thailand as "enemy occupied," the U.S. blocked most demands from other allies for post-war reparations and imposition of civil-military controls over Thailand.

At the outbreak of the Korean war, Thailand joined the U.S. and other nations in sending troops and supplies. In 1954, the U.S. committed itself to the multilateral defense of Southeast Asia as a signatory of the Manila Pact, which established the Southeast Asia Treaty Organization (SEATO). In 1962 the U.S. bilaterally extended the Pact's guarantees to Thailand. Thailand strongly supported U.S. policies in South Vietnam, and provided a combat division to the military effort. In 1963 the U.S. began using Thai air bases in support of operations over Indochina. At its peak, approximately 40,000 American military personnel were based in Thailand.

Relations were strained in 1975 when the Thai government asked that all U.S. troops leave Thailand by 1976; leftists, students and the media were particularly vocal in opposition to the U.S. and its policies in Indochina. Following the 1978 Vietnamese invasion of Cambodia, the Thai again reassessed the value of the U.S. security relationship, and subsequently worked closely with the U.S. in assisting the Cambodian resistance.

The military coup against a civilian, democratically-elected government in February 1991 precipitated another downturn in U.S.-Thai relations. The U.S. denounced the coup and cut off assistance programs and military

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

cooperation. The U.S. welcomed the return to democracy and civilian rule following the September 1992 elections, deemed to be the freest and fairest in Thai history. Subsequent elections in July 1995 further demonstrated Thailand's strengthening commitment to democratic processes.

Currently, the U.S. and Thailand enjoy excellent relations; we have our largest military exercise program in Asia with the Thai armed forces. Increasingly, economic issues have dominated our bilateral relationship, a sign of Thailand's growing economic importance. In a 1993 survey, a majority of urban Thais viewed the U.S. as honestly striving to defend freedom in the world; the U.S. was at the top of the list of countries cited as providing the best political model for Thailand.

THAILAND: HUMAN RIGHTS

Thailand has a generally respectable human rights record, although enforcement of a broad range of laws and regulations is often lax. The Thai press is arguably one of the most free in Asia and the robust print media comments regularly on government policies, officials, and programs without fear of reprisal. Radio and television stations are generally free to determine the content and nature of television broadcasts. The Thai enjoy freedom of assembly, and routinely exercise their right to protest without government interference.

Thailand's rapidly growing economy has generated growing income disparities between rural and urban areas. Despite efforts to narrow the income distribution gap, poorer Thai citizens continue to be disadvantaged in their access to education, health care, and basic government services.

A major setback in Thailand's progress toward democracy and respect for human rights was the military's May 1992 crackdown on pro-democracy protesters. Over fifty people died when troops opened fire on crowds gathered to protest the military's attempted takeover of the government. Thirty-nine people remain missing, and the government has begun the process to compensate the families of the victims. Thailand returned to democracy in September 1992, following free and fair elections. In the intervening three years, the military's role in politics has reduced substantially

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 3 -

and democratic institutions have taken root. In July 1995, Thai citizens exercised their right to change their government by voting in a new government, bringing about a peaceful transfer of power.

Thailand's most serious human rights problem stems from abuses associated with the commercial sex industry. Although illegal, prostitution continues to flourish and is generally accepted in Thai society. In recent years, increasing numbers of women from neighboring countries have entered Thailand to work as prostitutes, and there are continuing credible reports of illegal trafficking schemes and forced prostitution. Also, the threat of HIV infection has prompted a growing demand for younger prostitutes (believed less likely to be infected with the virus). The previous government set up vocational training and education programs to combat the lure of prostitution and submitted draft legislation to criminalize the trafficking of women and children for purposes of prostitution. However, despite occasional high-profile raids on brothels, the government failed to enforce effectively laws against prostitution. In many cases, brothel owners paid off local officials and police, and there are credible reports that corrupt police are involved in illegal trafficking networks. The draft legislation was shelved in May 1995, when the Prime Minister dissolved Parliament and called for new elections.

Thailand provides sanctuary to tens of thousands of ethnic minorities, students, and political dissidents from Burma. The number of refugees in camps in Thailand has swelled following attacks by Burmese troops on dissident strongholds in Burma earlier this year.

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 7, 1995

Cleared: EAP:THubbard
EAP:DHarter
EAP:KHarrington
DRL/AAA:MSutphen
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: WOMEN'S ISSUES

Women in Thailand are entitled to equal rights under the law, but inequalities persist. The Thai constitution was amended in January 1995 to guarantee equal rights for women. In addition, some rights are spelled out in the legal code. Nonetheless, domestic law remains inconsistent and unequal treatment of women persists in the areas of domestic and property law. A special concern for Thai women has been the impact of the commercial sex industry on Thai women and society. Although illegal, prostitution continues to flourish and is generally accepted in Thai society. There are continuing credible reports of illegal trafficking schemes and forced prostitution.

Rapid economic development, the country's general openness to Western ideas, and government efforts to address inequalities have created new opportunities for women in Thailand. They are making progress on overcoming poverty, gaining access to education, participating in new and expanding labor markets, improving their own and their families' health, and venturing into high-level public and professional careers. But the rapid socio-economic change has also led to more imbalances and contradictions in the daily lives of Thai women.

In education, illiteracy has been greatly reduced among women, although a slight male-female gap remains. There are no legal constraints for women with respect to education at any level. Nonetheless, women's access to formal and informal education is still limited by cultural norms and the need or desire to enter the labor force. Thai women are still directed toward particular fields of study, and they are significantly outnumbered by men in advanced degree programs.

Women continue to participate equally in the labor force and across all employment sectors, but agriculture remains the primary employment sector for both sexes in Thailand. On the other hand, Thailand's successful export-oriented, labor-intensive industrialization has been built on female workers. While Thai women comprise slightly over half of all government workers, they dominate the lower echelons of the civil service. Women are also heavily represented in traditionally female occupations such as public health, education, the social sciences, and general administration. Women remain under-represented in politics; there is only one ministerial-level woman in the new government and women account for only 24 of 391 Members of Parliament. However, women's access to opportunities in the field of science and technology appears to be increasing.

SENSITIVE BUT UNCLASSIFIED

Drafted: DRL/AAA:MSutphen/Embassy Bangkok SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
EAP/TB:RFGodec
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: POPULATION AND FAMILY PLANNING

Population: Thailand's population in 1994 was approximately 59 million, 27 percent of whom live in urban centers. Thirty percent of the population is under 15 years of age. Five percent is 65 years or over. Over 80 percent of the population of Thailand is ethnic Thai, with about 10 percent of the population of Chinese descent. Malay ethnic groups inhabit the southern peninsula, and several hill tribes dwell in the northern mountain ranges. Over 90 percent of Thai identify themselves as Buddhists. The population growth rate declined from 3.2 percent in 1960 to 1.2 percent in 1993. From 1980 to 1990, life expectancy at birth rose from 60 to 66.6 years for males and 67 to 71.7 years for females.

Family planning: Thailand's total fertility rate has dropped to replacement level in a generation; from 6.3 in 1965 to 1.9 in 1994. The nation's crude birth rate has also declined to 17 per 1000 population with an annual natural increase of about 1.2. Thailand's family planning program began in 1970. Contraceptive prevalence has increased dramatically, from 15 percent in 1969 to 75 percent at present. Unmet demand is believed to be low, less than 5 percent. Contraceptive prevalence is the same among urban and rural residents, which reflects nationwide availability and accessibility of family planning, as well as the desire to use contraceptives. Abortion is illegal in Thailand, except for medical reasons. Accurate abortion statistics, therefore, do not exist. In 1986, however, 33 women were recorded as dying as a result of abortions. Scattered information indicates that the majority of abortions are undergone by women 15 to 19 years old, most of whom are farmers or housewives. Adolescent and pre-marital sex has been increasing and single females are increasingly sexually active.

Maternal mortality has declined gradually from 100 per 100,000 live births in 1980 to 20 in 1991. Between 1990 and 1991, maternal mortality fell by 10 percent. Regions differ with respect to maternal mortality. The south has the highest rate of maternal mortality: 40/100,000. The majority of deaths resulted from obstetrical causes, such as hemorrhage during pregnancy.

Fertility in Thailand has been below replacement for at least five years. Thailand's population growth rate has declined over the last thirty years, as have parental desires for large families. If current levels of fertility

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

remain constant, on average a Thai woman can expect to have no more than two children. However, fertility is likely to fall even further from these low levels as social and economic conditions will keep fertility desires low, while at the same time possibly increasing the proportion of women who marry at older ages or who never marry at all.

This decline is likely to lead to a repositioning of family planning services as a means of encouraging better maternal and child health. The nature of family planning services is also changing with the private sector expected to take on a growing share of the burden.

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
DRL/AAA:MSutphen
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: CHILDREN'S ISSUES

Prostitution: The abuse of children involved in the commercial sex industry remains a serious problem. Despite government efforts to eliminate child prostitution, Thailand remains both a source and a market for male and female child prostitutes. Increasing numbers of young girls are being exported to wealthier countries, including Japan, Taiwan, Northern Europe, Australia, and the United States. As a market, illegal trafficking in both young girls and children from Burma and, to a lesser extent, from China and Laos remains a problem. Poor children from hill tribe areas and neighboring countries are particularly vulnerable to abuse by brothel owners and procurers.

The growing demand for this trade in young women and children is fueled in part by the rising fear of HIV/AIDS and demand for "fresh" sex workers, as well as a traditional market for "virgins." Consequently, younger children are being targetted by brothel procurers. Studies conducted by NGOs indicate that, due in part to the higher "costs" (e.g., bribery) to procure and detain child prostitutes, younger sex workers must serve many more clients in order to pay off their "debt" to brothel owners. As a result, the youngest prostitutes rescued in brothel raids routinely exhibit the highest rates of HIV infection.

Health: The health of Thailand's children has improved dramatically in recent decades and the government has dramatically reduced malnutrition in preschool children. Infant mortality has declined from 84 infant deaths per 1,000 live births in 1960 to 35 in 1991; under-five mortality dropped from 105 per 1,000 live births to 50 in 1994. These rates approach those of more developed countries and are due to better access to health care, the successful expanded program on immunization and a general improvement in the standard of living. The incidence of diphtheria and tetanus has declined dramatically. By 1990, coverage of diphtheria, pertussis and tetanus, oral polio vaccine and measles was 85 percent, 86 percent and 68 percent, respectively. The rate of fully immunized children in rural areas ranges from 70-90 percent, and 68-87 percent in urban areas.

Child Labor: Thailand's growing HIV/AIDS epidemic is likely to affect children severely. The disease will lead to sharp reductions in household income, which will increase pressure on children to work. At the same time, it consumes funds which could have been spent to send these children to

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

school. These factors are expected to reduce the pool of educated workers for generations to come. They are also expected to set the stage for increased exploitation of child labor, particularly in the sex industry. It is estimated that by the year 2000, there will be 86,000 children orphaned in Thailand due to their parents dying of AIDS. Many of the children will be placed with grandparents who have traditionally relied on their children, particularly their daughters, to support them in old age. This situation will create additional pressures for the children to work and may increase the number of young girls entering prostitution.

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
DRL/AAA:MSutphen
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: HEALTH ISSUES

The health of the Thai people has improved dramatically over the past twenty years. This improvement is the direct result of rapid socio-economic development which has generated a fourteen-fold increase in the national income and an eight-fold increase in per capita income. Public health expenditures in 1992 accounted for 6.38 percent of GDP. The ratio of medical personnel to Thai is 1 physician to 4,259 and 1 dentist to 21,561.

In 1994, the Royal Thai Government spent 39.3 billion Baht or 6.3 percent of its total budget on health care. Virtually all communities in Thailand currently have access to health care services through an extensive primary health care system. The country's poorest citizens are provided basic care at no cost. Provision of health insurance is mandatory for all private sector businesses employing 10 or more persons. The government provides full coverage for all government and state enterprise employees. All health and social indicators, with the exception of the relatively recent HIV/AIDS crisis and the related increase in TB cases, are extremely low in comparison with other developing nations. Some - such as life expectancy, contraceptive prevalence, total fertility rate, and infant and child mortality rates - are approaching those of industrialized nations. Malnutrition levels have been reduced dramatically, including the near eradication of severe protein-energy malnutrition. Over 70 percent of the population enjoys adequate water and sanitation facilities.

Thailand, however, has health care difficulties. The country is undergoing an epidemiological transition from health problems associated with developing nations (e.g., infectious and parasitic diseases, nutritional deficiencies) to those characteristic of newly industrializing countries (e.g., chronic and degenerative diseases including heart disease, cancer and stroke). New health threats, such as the propagation of addictive substances, injury from accidents, occupational hazards, and environmental pollution, are emerging. Health service systems - public and private - will need to adapt to these new epidemiological patterns. The most immediate concern, however, is HIV/AIDS, which has the potential to jeopardize the economic and health achievements realized thus far. The number of HIV cases is steadily growing in Thailand, increasing 33% in 1994 alone. At this rate, there will be 1.6 million cases by the year 2000, and in Northern Thailand, where AIDS is most prevalent, 10% of the labor

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

force could be lost to the disease within the next ten years.

Thailand is at a crossroads on health issues. Though it remains a recipient of development aid, it is rapidly becoming a resource for other less-developed countries. Many developing countries, particularly those in Indochina, are looking toward Thailand's health and social development strategies and experiences to improve their own programs. Some are making formal contractual arrangements with Thai research institutions for long-term assistance in planning, education/training, monitoring and evaluation in such areas as primary health care, family planning, and nutrition.

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
DRL/AAA:MSutphen
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: EDUCATION

Thailand's educational system remains largely geared toward the needs of a traditional, agrarian economy and society. Over the past two decades, Thailand has made significant progress in educating its citizens, particularly at the primary level. Following the world Conference on Education for All held in Jomtien, Thailand in 1990, the Thai government introduced a national education plan in 1992. The plan called for increased attention to the role of education in human resource development and improved educational opportunities for disadvantaged children and women. Over 19 percent of the national budget was spent on education in 1994, a percentage that is larger than that for defense or health.

More than 80 percent of primary school-age children attend school. Enrollment statistics vary little by gender: 96 percent of male children are enrolled in primary school as are 94 percent of female children. Thailand's illiteracy rate has fallen from about 30 percent in 1960 to about 7 percent in 1990. Literacy rates average about 97 percent for males and about 92 for females. Nonetheless, these numbers are significantly lower among minority hilltribe groups living along Thailand's northern and northeastern border, as well as in remote southern locations. A transition rate of 73 percent from primary to lower secondary school appears reachable by the target date of 1996.

Despite their success at the primary level, Thai officials have achieved far less progress at the secondary school level. Only 47 percent of children aged 12-14 were enrolled in lower secondary school in 1992, the lowest figure among ASEAN nations. By the year 2000, only about 25 percent of Thailand's work force is likely to have more than a primary education. Socio-economic disparities compound the problem: only 24 percent of lower income children attend lower secondary school while 90 percent of middle and upper income groups do so. Furthermore, only 14 percent of children from farming families obtain a secondary education and only 2 percent go on for higher education.

The Ministry of University Affairs oversees 29 private and 19 government universities. Higher education is focused on the traditional liberal arts curricula which prepares students for a career in the civil service. The university system graduates 160,000 students in the liberal arts annually, far more than the rapidly industrializing economy

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

requires. The government is seeking to raise the proportion of technically trained university graduates but the effort has been made difficult by a migration of science, technology and business management professors to private sector companies. The Royal Thai Government recognizes that more must be done to broaden and increase secondary school enrollment if the nation is to continue growing at the current rate. One of the principal objectives of education development plans over the coming decade is to increase the educational opportunities available to children at the secondary level, and especially among economically disadvantaged segments of the population. The government has made expansion of education a priority and is currently drafting a bill to extend compulsory education from six to nine years.

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
DRL/AAA:MSutphen
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: ETIQUETTE

Thais are extremely friendly and forgiving people. For the most part, Mrs. Clinton will meet with urban Thais who speak English and observe western etiquette. Nevertheless, there are several areas which bear mentioning.

Greetings: Thais generally do not shake hands with one another. Instead, they "wai," i.e., they place both palms together with the fingertips at about nose level. Most of Mrs. Clinton's counterparts, ministers' wives, businessmen and women, politicians, and others will shake hands when meeting her. However, lower level officials, staff at the shelters, orphanages and schools she visits, hotel and restaurant staff, and ordinary Thais she comes in contact with will "wai" (and probably bow or curtsy) to show respect. Mrs. Clinton may return the "wai" or simply smile and nod her acknowledgement of their greeting.

Awareness of Body Position: For Thais, the head is the highest part of the body, and the feet the lowest. Thus, one should never touch a Thai on the head (except for small children) and one should not expose the soles of one's feet to others. In formal meetings, Thais will keep both feet on the floor. In temples, Thais will sit on the floor with the soles of their feet pointed away from the Buddha image. It is customary, and a sign of respect, for Thais to remove their shoes before entering the home or a temple. Mrs. Clinton would not be expected to do so at any of the sites she visits. However, removing her shoes before entering the temple of the Emerald Buddha at the Grand Palace (the most revered temple in Thailand) would be a gesture much appreciated by her Thai hosts.

Religion: Thailand is overwhelmingly a Buddhist country. Buddha images are sacred, and monks (identifiable by their shaved heads and yellow robes) are revered. Women must avoid touching a monk or his clothing. Mrs. Clinton will probably see monks chanting in the Dusit Hall (the site of the Princess Mother's wake) or on the grounds of any temple she visits. Should monks appear in a group welcoming her, Mrs. Clinton should acknowledge them with a smile or a nod, but should not shake hands or otherwise touch them.

Dress: Thai women, and especially professional women, dress conservatively. Short skirts and tight clothes should be avoided, and slacks are generally not worn except in very casual circumstances. The shoulders should be covered, although short sleeves are fine. Open-toed shoes should not

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

be worn to any event at the palace, although they are fine at other sites. In this tropical climate, lightweight, natural fabrics will be most comfortable, although Mrs. Clinton will spend considerable time in air-conditioned rooms and vehicles. When Mrs. Clinton visits the palace or meets any member of the royal family, she should wear black. Mrs. Clinton's visit falls within the 100 days' mourning period being observed by the royal household for the Princess Mother. Mrs. Clinton should also wear all black when she visit the Dusit Throne Hall.

Thai names: Thais use their first names, even in formal settings. However, all but the closest of friends put a title in front of the name. For ordinary Thais, the word "Khun" (meaning something like Mr. or Ms. and pronounced "coon") precedes the name. For those with a title, whether official or royal, the title precedes the name. Thus, Prime Minister Banharn Silapa-Archa is referred to as Prime Minister Banharn. Likewise, many of those associated with the palace and many of the wives of senior Thai officials hold royal titles, so they might be referred to as Thanpuying or Khunying plus the first name. Mrs. Clinton should not be surprised to hear herself referred to as "Khun Hillary."

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
DRL/AAA:MSutphen
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: REFUGEES

Hmong: There are about 8000 Lao/Hmong refugees in Thailand repatriation centers. The United States, the Royal Thai Government (RTG), and the UN High Commissioner for Refugees (UNHCR) all recognize that most Hmong in Thai camps are refugees. They are therefore entitled to either third-country resettlement or repatriation. When the Ban Vinai and Chiang Kham refugee camps closed in 1992 and 1993 respectively, all those in the camps were advised that they could either be considered for resettlement by choosing to go to Phanat Nikhom camp or be repatriated to Laos by choosing Na Pho repatriation center. Those who refused to choose between the two options were sent to Na Pho. The United States believes, however, that some of those who chose to go to Na Pho may now want to be considered for resettlement. This change of mind has probably come about because many of those who chose Na Pho thought they were choosing to stay in Thailand (and were likely encouraged in this belief by Lao resistance elements in the camps and abroad). The United States has asked the RTG to allow the Hmong refugees in Na Pho one more chance at access to resettlement in the U.S. Previously, the RTG position had been that since the Napho Hmong were given the chance to choose they should be processed for voluntary repatriation to Laos. In response to the U.S. request, the RTG has now agreed to allow access at an appropriate time in the future to those who will not volunteer to return home. There has been a good deal of congressional interest in the Hmong's situation.

Karen/Burmese Refugees: The security situation along Thailand's border with Burma deteriorated significantly during the first part of 1995, but has stabilized. The highly successful Burmese offensive against the Karen, beginning last December and continuing through February, forced the Karen to abandon their last strongholds in Burma. With the 10,000 new refugees (or "displaced persons") from the fighting, there are now approximately 90,000 Karen refugees in camps in Thailand. In April and May troops from the Democratic Karen Buddhist Army (DKBA), probably supported by the Burmese Army, repeatedly attacked the Karen camps in Thailand. The DKBA burned down several camps and left roughly 30,000 refugees homeless. The Thais were slow to react, but finally responded by sending helicopter gunships to attack a DKBA base in Burma and by putting additional Thai troops and equipment on the border. The Thai have begun to consolidate many of the Karen refugees into "megacamps" some 10km-15km from the border. The U.S. supports consolidation of the camps further inside Thailand.

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

The Thai have only a quasi-agreement with UNHCR and have generally kept it out of the camps. Recently, they decided to allow a greater presence of a UNHCR protection officers in the camps along the border. Embassy Bangkok has reported that some RTG officials consider it safe for the refugees to return to Burma and would like to begin repatriations. No date has been mentioned and the Thai are unlikely to carry out repatriations quickly. Congressional interest in the refugees is high.

SENSITIVE BUT UNCLASSIFIED

Drafted: PRM/AAA:WFleming/JGray SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
EAP/TB:RFGodec
DRL/AAA:MSutphen
P:DRussell
EAP/RSP:AJury
PRM/AAA:MMcKelvey

SENSITIVE BUT UNCLASSIFIED

THAILAND: THE U.S. EMBASSY

The U.S. Embassy in Bangkok is one of our largest embassies in the world. Currently, we have a total staff of 1887 American and Thai employees who work for 31 different offices/agencies, with the majority serving in Bangkok. The U.S. also maintains a Consulate General in Chiang Mai, and a Consulate in Udorn (which will be closed in 1995).

In addition to traditional mission functions, the post has an active foreign commercial office, drug enforcement and eradication effort, military sales and exercises program, regional aid program, public affairs office and VOA transmitter facilities. There is a large medical research unit, an HIV/AIDS collaboration office, Customs, Secret Service, and FBI offices. A staffing summary follows below.

Real estate and buildings are a major administrative preoccupation and will continue to be so for the foreseeable future. In February 1996, we will move into a new chancery, across the street from the existing chancery building. This new building was constructed in three years, within budget, at a cost of approximately \$58 million. The five story building covers 207,000 gross sq. ft. The old chancery will then be renovated and should be ready for occupancy in early 1998. The ambassador's residence, which has been leased from the Royal Thai Government (RTG) for a nominal fee since July, 1947, must be returned. Therefore, in spring 1996 we will begin construction of a new residence on the rear corner of the new chancery grounds.

For the last several years, the Department and the post have worked on a project to construct 200-250 apartment units and recreational facilities on approximately ten acres of a 15-acre compound owned by the United States in central Bangkok. The remaining five acres of this compound will be long-term leased to a developer. This project also includes the relocation of offices and warehouses from the Rajdamri compound to the old chancery grounds and the sale of a three acre compound on Sathorn Road. In addition, several apartment buildings may be purchased.

When completed, the chancery, most other mission office buildings, and the majority of our staff housing will be located within a short walking distance of the new chancery and office annex complex. Approximately \$10 million in annual lease payments will be eliminated.

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

Staffing Summary:

American Staff

	<u>Direct Hire USG</u>	<u>Authorized PIT/PSC</u>
State (Embassy)	176	24
Consulates	55	2
Other Agencies	334	1
Total	565	27

Foreign Service National Staff

	<u>FSN</u>	<u>PIT</u>	<u>PSC</u>
Total U.S. Mission	843	1	451

Total Mission Staff

Embassy/State/USC Direct Hire	176
Embassy/Other Agencies/ USC Direct Hire	334
Constituent Posts/USC Direct Hire	55
PIT Positions	25
PSC Positions	454
FSN	843
Total:	1887

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 9, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
EAP/EX:JDerrick

SENSITIVE BUT UNCLASSIFIED

THAILAND: THE ENVIRONMENT

Although by developing country standards, Thailand has good environmental legislation, enforcement has been weak. Rapid economic growth, seen as the answer to problems of poverty and frequently pursued without particular consideration for its effect on the environment, has had a serious impact on Thailand's environment. Natural resources and habitats are under serious threat from unregulated development, and human, urban and industrial pollution. There is, however, increasing public awareness of the need to balance economic growth with environmental considerations. Rapid deforestation has damaged the rural environment and poses a threat to biodiversity. Thailand's once thick forest cover has fallen from over 50 percent of total land area in the 1960s to 26 percent in the 1990s. While logging and road improvements in rural areas have opened up vast areas for agriculture, they have been accompanied by soil erosion, sedimentation, fertility loss, increased flooding and water-logging of soils. Some one million largely-poor families live in natural forest reserves and major land speculators continue to encroach on forest reserves. Commercial logging is now banned, but the country has been unable to develop policies that both prevent further encroachment and balance social pressures and ecological needs. The ban on logging has also increased illegal Thai logging in Laos, Cambodia, and Burma.

Water quality has been threatened by a variety of factors. Both rainfall and recoverable water supply over the last decade in Thailand's northern region, the water source for the country's two largest dams, have been irregular. Combined with inadequate attention to local water issues, this has led to calls to divert international border rivers for local consumption. At the same time, growth in the industrial and service sectors, major sources of pollution, have increased the demand for water. Water quality is further threatened by population congestion in urban areas, especially Bangkok, as well as by ground water contamination from dump sites and unregulated tapping of ground water. Public utilities have lagged far behind the spiraling growth. Inadequate sewage disposal facilities, together with factory discharges and indiscriminate garbage dumping, have made many waterways so polluted they can barely sustain life. Domestic sewage is commonly discharged into waterways at such a high rate that the Chao Phraya river, which passes through Bangkok and serves as the nation's lifeline, has become unfit for domestic use.

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

Air pollution is severe. Heavy and congested traffic in Bangkok, with almost 20 percent of the country's population, accounts for over 50 percent of the country's energy consumption for transportation. The city suffers periodically from dangerously high levels of lead, carbon monoxide, sulfur dioxide and other pollutants. The electricity sector, growing at more than 10 percent per year, is another major contributor. A substantial part of Thailand's electricity is generated using lignite, or "dirty" coal, without adequate scrubbers to clean up emissions.

With rapid growth, the number of factories producing hazardous waste has also increased. Between 1979 and 1989 the proportion of factories generating hazardous waste increased from 29 to 58 percent of the total. Frequent industrial accidents have accompanied the runaway industrialization with chemical fires, lethal gas and dynamite explosions, and gas leaks. Facilities to treat toxic waste are lacking. Waste chemicals are dumped into public waterways, all eventually ending up in the Gulf of Thailand, the nation's most vital source of marine resources.

Over a good portion of the last decade, the USAID Mission in Thailand and, more recently, the U.S.-Asian Environmental Partnership (US-AEP), have undertaken various efforts to help Thailand ameliorate its environmental degradation. These efforts have included work on biodiversity and natural resource conservation, pollution control and prevention in the industrial sector and assistance in creation of urban environmental infrastructure, including municipal water systems, wastewater treatment and solid waste disposal.

SENSITIVE BUT UNCLASSIFIED

Drafted: Embassy Bangkok/EAP/TB:RFGodec SETB 10129
647-7108 August 9, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
OES:JMatuszak
P:DRussell
AID:ZHahn

SENSITIVE BUT UNCLASSIFIED

THAILAND: COUNTERNARCOTICS

The United States has a long history of productive counternarcotics cooperation with Thailand, but because of it's pivotal role as a major transit country for Southeast Asian heroin, much remains to be done. Thailand is the one of the principal conduits through which Burmese heroin enters the stream of international drug trafficking. In 1993, the Thai seized 1.9 metric tons of heroin and in 1994 they seized over a ton. Burmese drug trafficking organizations, such as the Shan United Army run by Khun Sa, have significant logistical and financial support bases in Thailand. Official corruption remains a concern in Thai drug enforcement efforts. Thailand is just beginning to use comprehensive legislation to combat drug trafficking. Cooperation in enforcement efforts is good, but judicial assistance could be improved.

The strength of the Thai economy is diminishing the need for counternarcotics assistance. Current aid is focused on the drug enforcement and narcotics intelligence capabilities of the Thai authorities. We continue to support efforts by the Royal Thai Army in poppy eradication. Years of economic development and eradication efforts in northern Thailand have reduced illicit opium cultivation to a relatively small problem.

Last year the Thai cooperated closely with DEA in Operation Tiger Trap which resulted in the arrest of ten key figures in the drug trafficking network of Khun Sa. These traffickers are now in extradition proceedings. The Royal Thai Army has also taken significant steps to control the northern border with Burma, restricting the business activity and logistical support of Khun Sa and his Shan United Army.

The United States is currently seeking the extradition of a former Thai member of parliament, Thanong Siriprechapong, who has been indicted for marijuana trafficking in the United States. A lower court in Thailand has ruled Thanong can be extradited. Thanong filed an appeal in early August and there should be a final ruling on the case soon.

The Thai Nation Party (TNP) won a plurality in the July 2 elections and has formed a government under Prime Minister Banharn Silpa-Archa. Narong Wongwan and Vatana Asavahame, two of the leading politicians of the TNP, have been denied U.S. visas because we have reason to believe they have been

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

involved with drug trafficking. Although neither was named to the initial Banharn cabinet, both are still waging vigorous public and private campaigns for political rehabilitation. The possible inclusion of Narong or Vatana in a future Banharn cabinet remains a potentially serious problem in U.S.-Thai relations. The Thai government is fully aware of our views and appears to be making a serious effort to prevent a confrontation with us over the matter.

SENSITIVE BUT UNCLASSIFIED

Drafted: INL/P:JBrennan SETB 10129
647-7108 August 7, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
EAP/TB:RFGodec
P:DRussell

SENSITIVE BUT UNCLASSIFIED

THAILAND: USAID PROGRAMS

In the forty-five years since 1950 the United States has directly contributed more than \$1.1 billion to the development of Thailand (this translates into more than \$2.4 billion in 1995 dollars). By following good basic economic and social policies and taking maximum advantage of available resources, including foreign assistance, Thailand has made tremendous development progress, becoming one of the world's strongest economies. Accordingly, in 1995, USAID will formally "graduate" Thailand from its bilateral assistance program.

Recognizing that human resources are the key to development, the U.S. assistance program in Thailand has concentrated on education and training. It has helped to finance the foreign education of more than 11,000 Thais and to provide in-country training to more than 100,000 others. U.S. assistance has also been instrumental in the creation and/or development of a number of Thai institutions of higher learning. Recipients of U.S.-sponsored education and training are now found throughout Thai society. Much of USAID's assistance also has helped to transform Northeast Thailand, a region that lacks the fertility of the Central Plains and the abundant resources of the North and South.

In the early years, U.S. assistance was directed at infrastructure and basic development. Road development alone accounted for one-third of the U.S. development assistance program during the 1950's. USAID's road building program reduced the isolation of the countryside, helping to promote increased agricultural investment and bringing teachers, medical workers and family planning experts to rural villages. Early projects also focused on air and rail transport, as well as power and irrigation. Other programs from the period having a lasting impact included those aimed at malaria control and rinderpest eradication as well as efforts to improve rice seed quality -- efforts that were successful in reversing a long-term decline in Thai rice yields.

In the early 1970's, USAID began to shift from an infrastructure-oriented strategy to one concentrating on specific sectors -- particularly rural health care, family planning, and agriculture. USAID's rural health care projects sought to train health care workers in Thailand's poorest provinces. The U.S. also financed half of Thailand's family planning program in its early years. This program has been one of the most successful in the world,

SENSITIVE BUT UNCLASSIFIED

SENSITIVE BUT UNCLASSIFIED

- 2 -

reducing annual population growth from over 3 percent to less than 1.2 percent during the last 25 years. Efforts in the agricultural sector during this period built on earlier efforts to improve the quantity and quality of the nation's rice crop.

In the mid-1980's, in response to Thailand's continued economic progress, USAID again shifted its strategic focus, this time to emphasize technology transfer. These initiatives have played a major role in enhancing Thailand's economic competitiveness, in shaping Thailand's new environmental policies and in strengthening the management capacities of indigenous NGOs. The capstone of U.S. development assistance efforts in Thailand is the U.S.-Thailand Development Partnership. This project reflects Thailand's emergence as an advanced developing nation and is designed to change the relationship between the two countries from one of donor/recipient to partners in development. The Partnership seeks to mobilize U.S. public and private sector expertise to focus on major problems that continue to limit Thailand's economic growth. Under the initiative the U.S. Partner (Kenan Institute of the University of North Carolina) and the Thai partner (Chulalongkorn University) seek to address Thai development problems by linking Thai public and private customers with American sources of expertise and technology, including the U.S. private sector, public entities and NGOs. The Partnership emphasizes work on solutions to the HIV/AIDS epidemic and environmental problems. The key criteria for selecting projects undertaken by the Partnership include mutual benefit, development impact, cost-sharing, and sustainability after the end of project financing.

Despite Thailand's impending "graduation," USAID will continue to have a presence in the country. In an effort to promote increased efficiency in the delivery of development assistance, and to capitalize on Bangkok's central location in the region, as well as the human resources available in the Thai bilateral mission, USAID has established a new regional office in Bangkok. The Regional Support Mission for East Asia (RSM/EA) has three primary functions: 1) providing administrative and program support to other missions in the region, including Cambodia; 2) managing programs in countries where USAID does not have a presence such as Vietnam and Laos; and 3) managing projects focused on regional problems such as HIV/AIDS and environmental degradation. Locating the RSM/EA in Thailand will allow USAID to build upon its 45-year development investment in Thailand by selectively using Thai educational and research institutions, as well as NGOs, in U.S.- sponsored development assistance projects elsewhere in the region.

SENSITIVE BUT UNCLASSIFIED

Drafted: EAP/TB:RFGodec/U.S. Embassy Bangkok SETB 10129
647-7108 August 9, 1995

Cleared: EAP:WLord
EAP:KWiedemann
EAP:KHarrington
P:DRussell
AID:ZHahn

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. paper	Contingency Planning : First Lady's Participation in the Fourth World Conference on Women (6 pages)	00/00/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Asian Affairs (Kristoff, Sandra)
OA/Box Number: 1038

FOLDER TITLE:

Beijing Women's Conference

2012-0094-F
ke3909

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

- VE ———
- ① ~~Visas for delegation - Trump~~ SR-Notes from meeting
 - ② Assembling briefing book First Lady Berger
 - ③ Classification Led to talking for concept paper

Proceed on contingency basis

- a. Put together background
- b. Speech (crafted by 1st Lady's office)
- c. Invitations -
- d. Duration - 1 night, 2 full days

- 1) Address NSD Forum - but in Beijing or Am NSD's in one place
 - OK 2) Speech to conference (Elissa)
 - OK 3) Invitation from UN on micro-enterprise wants to do that
 - 4) WHO Conf on health
- a participant

In addition, BBG invite to VIP reception (# world's heads of state)
who is host - BBG or Chinese?

Conty Delegation - Chris Smith
Pelosi
Came Morella
? Barbara Vucanich
Jane Harman

Not going Th or Camb

Mongolia - Yes maybe
Memo - what should she do there

Roll-out scenario - formal announcement

Hillary op-ed - why going (take on w/Pelosi)

Cong calls - tp

HR calls tp

Sund. ~~Aug 31~~
Sept 3