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PRESS BRIEFING BY TELEPHONE WITH AMBASSADOR DOUGLAS PETERSON ON PRESIDENT'S TRIP TO VIETNAM

**To Press Filing Center
National Stadium
Bandar Seri Begawan, Brunei Darussalam**

3:10 P.M. (L)

MS. CHITRE: Good afternoon, ladies and gentlemen. We have Ambassador Douglas "Pete" Peterson who is joining us from Hanoi, via telephone, to brief you on the President's upcoming trip to Vietnam. The Ambassador's briefing is being fed via telephone into the speakers into the file. Following his opening remarks, he'll be able to take your questions, but in order for him to do that, you will need to come forward and speak into the speaker phone that's over here, so that he can hear the questions. Please speak loudly so that others in the room can hear the questions.

Ambassador Peterson.

AMBASSADOR PETERSON: Very good. Welcome. I guess we're going to be talking about the Florida election -- is that what this phone call is all about? No, just kidding, of course, which obviously that's on everyone's mind. Up here in Hanoi, the presidential visit is on our minds, and we've been preparing for it, obviously, for some time, and very, very pleased that the President has seen fit to place Vietnam on his schedule as one of his last, if not last, foreign trips.

In talking about Vietnam, though, one has to really realize that Vietnam is a nation in transition. It's transitioning in economics, major changes politically, culturally, and generationally. It is overall, in my view, a success story. The country has essentially been under a rock for 20 years, and after the Doi Moi policy was enacted in 1986, it began to reach out to the rest of the world and to amend its economic system so that it could enjoy some of the successes other countries in the region have had over the couple generations while they weren't really looking.

In reality, though the Doi Moi policy may have been enacted in 1986, nothing really kicked in until 1992. So what we've got here and what you'll be seeing when you arrive is eight years of progress. And, in fact, you might see a country that is eight years old, not 4,000. It's quite a remarkable transition that has occurred in the economics sphere, with Vietnam adopting the free market enterprise system basically, but with a socialist twist. It's one of those anomalies that will be hard for you to rectify and, in fact, it's very difficult for the Vietnamese to do so. And so you'll find that an interesting story, I think.

But the economy here is becoming stronger every day, and it's been assisted significantly by the fact that Vietnam signed the bilateral trade agreement with the United States on July 13th. And we are in the process now, of course, preparing for ratification of that agreement by the Congress on our side and by the National Assembly on Vietnam's side.

But even though the ratification has not taken place, significant reforms continue here. And a lot of the items that are required by implementation of the BTA are, in fact, being carried out by the Vietnamese,

as they see this, frankly, as a springboard to WTO accession. And, of course, that's exactly what America wants to see happen as well.

Diplomatically, Vietnam is another success story. You know it's a member of APEC, which is, of course -- you will see them in the halls in Brunei, and they have actually been very active in that organization, as they have with their membership of ASEAN. And ASEAN is even a more remarkable story because ASEAN, having been formed in 1967 as essentially a regional force to contain, if you will, what was happening in Vietnam, now, this year, Vietnam is the chairman of ASEAN. It's a remarkable story and one that shows the constructive progress that has been made here, diplomatically.

Vietnam, as I noted, was essentially under a rock for 20 years, but now it has extended a friendship -- a hand of friendship to virtually every nation. And in Vietnam, and in Hanoi specifically, there's probably 60 to 70 embassies and consulates located here, and I know they have relationships with well over 100 nations worldwide. It's been a very successful process that they've gone through to engage everyone in the world in trying to become a constructive and peaceful member of the world community.

The governmental reforms, political reforms you could say are also rather significant. There are, and you will recognize that there are significant greater individual freedoms that the people of Vietnam enjoy. Clearly less government involvement in individual lives, and you will also note that that comes parallel to the significant improvement in the quality of life for all Vietnamese, all 80 million Vietnamese people, and I might add parenthetically that this quality of life that Vietnam is enjoying right now is the best in their history. Never have the people of Vietnam had a quality of life that is even close to what they're enjoying now, and it has all the potential of moving straight up.

When you talk about Vietnam and try to enumerate some of its positive attributes, the first one that you have to list is, of course, its people. You've heard the demographics, I'm sure, of roughly 80 million, and of that the vast majority are very young. In fact, if you were to do a cut of 40 years old, roughly 80 percent of the people are under that age. So that gives you some idea of the strength and creativity that could ensue here over the future. And it also, when measured with their level of intellect, with 90-plus percent literacy rates, there's some real potential here with the human resource that Vietnam enjoys.

Couple that with the natural resources, you've got a country that is emerging into the world that is very, very young; very poor; yet a country that exports both energy and food. Vietnam is the second largest exporter of rice in the world. And its largest export from a monetary standpoint is energy, petroleum. They have mountains of bauxite, iron ore; they have uranium; they have gold; they have semi-precious gems; they have coal that they don't know what to do with. And then they have an incredible potential for production in agriculture. Coffee is probably -- they may be the second largest exporter of coffee in the world. In fact, Brazil is buying coffee from Vietnam now. You also have cashew nuts and rubber and a whole host of other kinds of exports, including a massive export of seafood, which are becoming a major part of the national income.

Those are attributes that few emerging nations enjoy, and it gives them a potential that I haven't seen, nor have heard of elsewhere in the world. And then the other attribute that might be discussed is the geopolitical position of Vietnam. You only need to role the globe around and very quickly ascertain that Vietnam is sitting on the very crossroads of the East-West/South-North ancient trade routes, which, frankly, haven't changed all that much. But they have a direct link to North Asia and, of course, an equally strong link to South and Southeast Asia. And those linkages have placed them in a position to get up and running very quickly. And I clearly think they will.

When you look at the U.S.-Vietnam relationship, you have to really rate that as sort of a work in progress. It's certainly much more sophisticated and you have to realize, too, that that relationship is only five years old. And it's been a step-by-step process, whereby we have tried to engage all interested parties on the U.S. side in the works that we've been doing here, and I think quite successfully. I think most people in America appreciate the fact that we have engaged Vietnam in the way we have, and that

we are, in fact, doing work with them in a transparent constructive way.

The MIA issue, of course, was our first and still is our most important aspect in dealing with the Vietnamese. That program, as you will learn when you get here, is a huge success. And, in fact, we now call it a partnership because we are helping them, to the degree we can, to determine their losses, which number upwards of 300,000. So there's a lot of work to be done on both sides to complete that work. Nevertheless, it is a huge success and one that I am personally very proud to be part of.

But now, after five years, we're working on issues across the board. We've had success working with the Vietnamese on health issues, particularly HIV/AIDS, but all kinds of infectious disease issues; agriculture, science and technology, law enforcement, military to military, a lot of work in disaster assistance, because you will see, too, in Vietnam the good Lord doesn't treat it very kindly from the standpoint of particularly weather, in that we've had major floods and almost simultaneously we've had droughts. It's a major problem for us and we've been able to assist in mitigation, which is where we're focusing our efforts, rather than just in providing emergency assistance. And as I noted, we're working very hard in the commercial area in helping to build the economics.

Overall, I would rate our work here over the past five years as a great success, one that I think every American would be proud. And I think with your visit and with the President's visit, we'll have an opportunity to look at what's been done and maybe establish the foundation for where we're going -- look at the future, perhaps build a new chapter. And the basic opportunity, I think, with the President's visit is to truly establish American policy toward Vietnam in a normal situation, rather than trying to place Vietnam over on the side of everybody's card, suggesting that it has to be treated separately and specially. It's time now to work with Vietnam across the whole spectrum of interests that we have, internationally. And I think that in so doing, our country is going to be very pleased with the outcome and, at the same time, bring stability to a region and to a country that has been obviously destabilized for decades and decades.

So let me stop there and let mfse take whatever questions you may have.

Q Can you tell us what access the President will have to speak directly to the Vietnamese people on this trip? For example, will his address to the University of Hanoi students be televised or broadcast over the radio, or in any way that he can speak directly to the Vietnamese people? And second, in what way do you think the President will be able to provide support for reformers in Vietnam, here just a few months before the party picks its next leader?

AMBASSADOR PETERSON: In response to your first question, the President's address to the students at the National University will indeed be televised domestically, as will a number of his other events. That's quite a change. I don't think it's ever been done before. So they now have agreed to do so. In fact, they are the ones that made that announcement just yesterday.

He, as you all have known him to do, is likely to also be active in working the crowds, and he will, in fact, have an opportunity to talk to ordinary people, which I think is a major part of what he's all about. And we're hoping to set that up.

On your second point, he clearly, in his bilateral meetings with the leadership, will present to them the concerns that the U.S. has, and will, in fact, bring into play our national interest as we work with Vietnam. And those are fairly simple, to be honest with you, and I don't think the President would dispute this, but basically that we want Vietnam to adhere to international standards across the board, be it human rights, religious rights, or even economic issues as well. And that's where we're going.

We're not trying to plow new ground here. We want international standards to be upheld. And we're helping Vietnam, and leading Vietnam in many ways, to that goal. And I think that with his trip here, and with his activity, personal activity, that is going to help a great deal in where we go into the future with the Vietnamese on that point.

Q I wonder if you could -- you talked about the MIA issue as a priority for the U.S. I wonder if you could talk about what the priorities are from the Vietnamese perspective, and whether they see this visit through the same prism that the U.S. will be seeing it?

AMBASSADOR PETERSON: I think that's an excellent question. There will be many parallels, obviously, to our objectives, as to theirs. There will be, obviously, disagreements on overall objectives. But in general, the first one will be that they will want very much to continue to be involved with the MIA issue because they see that in their national interest, as well.

There is a significant constituency here in Vietnam from the families, not unlike our own families back in the states that want to know; they want to know the fate. And we are assisting in many ways in that regard, and they'll want to continue that relationship. And in return, they'll continue to work with us in a creative, constructive way in that regard. So we'll have that one as a baseline.

Then they're very, very, very interested in American economic advice, management and, certainly, science and technology, which is an area that they admire a great deal on our side; plus educational opportunities is another side to that; and the points that I made earlier about some of the things we're already involved in, and that is health; law enforcement, because we're teaching everything from customs procedures to how to deal with with monies -- money laundering. We've had courses on that, as well.

In fact, on that, I may mention that the Vietnamese have assisted us in capturing two of the FBI's most wanted, and have turned them over to us for transfer back to the United States, even though we do not have a treaty with them to suggest that.

So there will be a whole range of issues that the two countries have, and they'll want to continue to work with us in demining, which would be a mil-to-mil issue, but a whole host of other things that are almost too numerous to list here.

Q Hello, Ambassador. On the question of economic reform, you depicted it as a kind of continuous process. But there have been a number of articles recently, including in foreign affairs, that suggest that it's stalled. I mean, is that fair to say?

AMBASSADOR PETERSON: No, I think that's inaccurate. You know this -- as I mentioned, this is a very young country, and so we're, I think, grading reforms here, and activities here, with the wrong yardstick. One, the Vietnamese are not that sophisticated to be able to seize all the opportunities that come their way; and two, this is a process that doesn't look like it does in the United States.

And so when we look at, hey, this isn't going the way we want it to, or if one particular investment group is disgruntled about how their project is or is not going, it gets in print, but it doesn't talk about the success stories. How many success stories have you read about? Not many. And, in fact, there are many. We could walk through a whole host of companies, U.S. companies that are doing very, very well here, and they're not so anxious to get out to the public with those because that's for their own commercial interests.

But there are really good stories here and, unfortunately, only the ones that aren't going so well seem to be published. But it's not accurate to suggest that the reforms are not taking place. I see them every day in the process of right up here against the wall. For instance, as we speak they're over in the National Assembly working on a new insurance law. The fact is that as part of the implementation of our bilateral trade agreement -- of which they're not really obligated to pursue yet, they have already filled several of their obligations associated with that by issuing a license to an American company. AIG is here and, in fact, is doing very, very well; it's incredible what they've done in just a couple months. So there are great success stories, it's just that you're not hearing them.

Q Mr. Ambassador, could you tell me, does the President's antiwar activities as a young man enhance his stature among the people and the government? Will it affect the way he's received by the government and the people?

AMBASSADOR PETERSON: That I really can't measure. I've not had anybody in any of my discussions at any level mention that. It probably is well-known, but it's never been mentioned to me and I doubt seriously if there will be any reference to it at all during his visit -- at least certainly by the Vietnamese.

Q Some critics have said that it's purely on a symbolic level and it's not really substantive, and, on balance, it may even disrupt internal politics in Vietnam by playing into the hands of some of the more conservative elements. What do you say to that?

AMBASSADOR PETERSON: Oh, gosh, I don't know. I would say, no, no, no, no, on just about each of those points. It's certainly not playing into any conservative element, because this is showcasing the U.S.-Vietnam relationship, which has been largely focused and created by what we might refer to as reformists. I think his visit here is a huge victory, and those people will have the circumstance enhanced, I believe, by his having come here.

It is clearly not a symbolic gesture. It is, to some degree, and it deservingly is so, given the fact that it was Bill Clinton who opened up and had the vision for moving ahead rather aggressively with our relationship with Vietnam when in many senses it may not have been to any political advantage of his. He saw this as an opportunity for America to renew a relationship and to heal wounds and to build bridges. And for that, maybe it is somewhat symbolic.

But we've done real work here. And I've been on the scene, as you know, for over three and a half years, and I've seen this up close and personal, and I can tell you, I've not been a part of anything that I've been so proud of than the fact that we have moved the relationship from pretty awful to pretty good. And there's enormous potential here, and with a presidential visit, we have real substance in establishing the foundation, looking at where we are today and examine the opportunities that exist for us in the future, and set out a road map for what we want to accomplish for the Vietnamese over the next decade.

Q Mr. Ambassador, I have two quick questions for you. Number one, countries in the region will watch this visit carefully, especially China. Up to now, how did China say on President Clinton's visit to Vietnam? Question number two is that many times the administration has said human rights will be an important part in our relation with Vietnam. Will the issue be raised by the President, and will the President meet any dissidents when he's in Vietnam? Thanks.

AMBASSADOR PETERSON: The first question, relative to China's attitude toward this visit, I think they applaud it actually. Though I've had no specific contact with the Chinese government -- the Chinese Ambassador and I are quite good friends, but, frankly, I've been too busy to take a measurement of that point. But I don't think there's any problem with that. I think the Vietnamese clearly talked to the Chinese about this visit before extending the invitations.

The Vietnamese and Chinese relationship is probably at an all-time high in historical perspective. And I don't think they see this as any threat whatsoever to either country. That is to say -- and might I add that the United States has no inclination or desire to get involved between two regional partners here. And our visit here is strictly to look at what we can do to help Vietnam be successful economically, because in doing so it brings stability and, of course, it brings compassion and goodwill to a people who now can enjoy a greater quality of life.

On the issue of human rights, human rights as all of you know is a major piece of the portfolio of every ambassador in every country around the world, and Vietnam is no different. As you know, we create human rights reports on every country of which we have representation each year. And if you'll look at

Vietnam's reports and read them with some definition, you will see that over the course of three, four years those reports have gotten increasingly better. And there is a significant improvement in the human rights circumstance in Vietnam, without a doubt. Just since I've been here, there are not mass arrests here for constructively making critical remarks about the government or the party or whatever.

They used to just lock them up. They don't do that anymore. In fact, they've released 14,000 prisoners this year, among them some of the people that we've been following that are persons of concern, as we put it. And last year they released roughly 8,000, and a number of those people released were individuals that had been clearly dissidents that the Vietnamese had released, and one of them, at least, left the country. Some have remained in country, and remain -- they're being observed, but I wouldn't call them under strict house arrest.

Now, will the President bring up the points of human rights? Absolutely. I don't think he would not do so. We've had three Secretaries of State here on visits, previous, as well as the Secretary of Defense and a number of other high officials visiting Vietnam. And we've always talked human rights issues. And I might add that every year we have a human rights dialogue at the assistant secretary level between the two countries, and those have been increasingly more candid and useful.

And then on the floor here, right here in baseline, I roughly work this every day. So the human rights issue is not new, nor is it going to go away. The point to remember I think, too, is that you never reach perfection in human rights issues. We could I guess say that -- we could condemn the entire police force of Philadelphia or Los Angeles, or St. Louis, or whatever for an act that gets captured on TV or in the print, but that doesn't say that the whole police force is without compassion. That's just not accurate. And the same is true for Vietnam. If you have an incident, or incidents, you can't really and logically condemn a whole population because it's just not accurate. And I think that's where I am.

There are violations in Vietnam. It's not near where we want it to be. But we are coaxing them forward, and it's an issue that we worked very, very hard, and I might tell you very candidly, there isn't anything that we don't bring up having to do with anybody that we're concerned about, or an act being carried out by an official that we feel has violated individual rights. And I'm on the frontline on that.

Now, will the President visit dissidents? It's not on the schedule. That is something that I think would be probably inappropriate, but that's for someone else to determine. The President is coming here as the guest and at the invitation of Vietnam, and obviously, we want to have as constructive a visit as we possibly can. But I can assure you that the issues that we all want to talk about will be talked about in the process of his visit here.

Q Mr. Ambassador, how much postwar bitterness remains in modern-day Vietnam? Do you think this visit by the President will go some ways toward closing that chapter for the Vietnamese? And how many Vietnamese -- what portion do you think of the population would like to hear some form of an apology from him?

AMBASSADOR PETERSON: I don't think there's very much postwar animosity. There are certainly pockets of it. I've never experienced it since I've been here, and I've been everywhere. I've been in nearly all of the 61 provinces on ground, working with the Vietnamese one-on-one, and I've never anyone come up to me and cuss me out or condemn me or whatever else. And certainly I was here in a time when I was not working on construction, I was working on destruction. So if there was any animosity out there, they had every opportunity to bring it forward to me.

And certainly in the youngsters you probably would find that the average Vietnamese youngster knows exactly as much about the Vietnamese War as one of our high school students somewhere in America, which is probably almost nothing. They're really focused on a future. They're looking at the prospects of improving their quality of life. And I note that in 4,000 years there's never been a generation in Vietnam that has been able to look into the future with pretty strong assurance of peace and prosperity. So we have a whole different look at where we are and where the country is going.

The second part of your question was an apology, I think. I don't necessarily think anyone is looking for an apology. To be honest with you, I don't think an apology is nearly as important as a constructive engagement. My view of it is that we are much better to help build the bridges, do something that's deep, inspiring something good.

And as I note my own experience, I was here tearing down bridges, not building them, and I feel no need to apologize. My works, I think, demonstrate my commitment and I think that through my works America's commitment is also defined. And I think the Vietnamese people appreciate that. They're not allowing the past to obscure the future, and that's what we're all about here.

Q Mr. Ambassador, a couple of quick follow-ups on the questions of investment and on human rights. On investment, I'm struck by your very optimistic assessment of prospects for reform in Vietnam, particularly your assertion that there are so many success stories. I wonder, in investment terms, I wonder if you could tell us a little bit about the aggregate numbers for foreign direct investment in Vietnam and how are those trending -- are they going up, are they going down, what are the numbers that you look at?

Also, if you could, maybe comment a little bit about how U.S. firms direct investment in Vietnam compares to firms of other countries, and maybe if you could comment about the commercial ties between the U.S. and Vietnam relative to some of our, say, European or Japanese competitors.

And then quickly, just on the human rights question, you mentioned 14,000 and the 8,000 persons of concern, as you put it, that have been recently released. What's the residual there? How many does that leave that you consider to be people of concern that are still in some kind of custody? You can obviously raise human rights objections about any country, as you point out, but I mean relative to, say, China or to Burma, where does Vietnam fit on the human rights spectrum in the U.S. view?

AMBASSADOR PETERSON: Let me take the last questions first, because it's on my mind, and I want to make a correction. The 14,000 and the 8,000 are not just people of concern. There were some people of concern in those numbers. Those gross numbers are what you might refer to as common criminals or individuals that were in jail for whatever, I don't know. But some of them were clearly persons that were placed in custody because of a political act, rather than a criminal act.

And so those folks probably -- we really can't get you a good number, but there's probably somewhere between 30 and 40 people that we would track and then suggest that are still incarcerated. And you can get that from our human rights report because we publish those numbers. And, frankly, I just can't come up with a number that would be valid to you, and I'd ask you to look at our human rights report, which should be on the Internet, for validation.

On a comparative between China and Burma, I think Vietnam comes out a star. Now, I say that because of what's happened only in the last couple years. The individual out here on the street -- and you can test this when you get here -- just walk up to them and ask them how free are they, or do they feel repressed, and you'll get your own answers. But if you'll just watch from the side of the street you can't help but recognize that these folks are pretty free.

I'll give you a cute example, actually. I had a fellow who built a house, literally, in 24 hours in my backyard, using the fence of my compound. And I went out and raised a big fuss and I did everything I could to get this guy's attention and so on. My Vietnamese employee was standing beside me. I said, what gives here, my God, you people just don't obey the rules, you're not following the law. And he smiled and he said, you know, we're more free than you are in the United States -- he meant that, of course, facetiously, but the fact is that there is not a repressive circumstance in the everyday life of the everyday Vietnamese.

And they're not as free as they should be, and they are becoming much more empowered in the sense

that they have now acquired assets that when placed into jeopardy they're making noise about it very quickly, and so the government is having to be more attentive to individuals as they speak and as they make proposals for improvements.

But between China and Burma, clearly, in my view, Vietnam is way ahead on adherence to overall human rights.

On the investment question, the U.S. has I think 118, maybe 114 -- 118 projects in Vietnam. There are roughly 400 American companies doing business here in one fashion or another, and their total investment is somewhere between \$1.4 billion-\$1.5 billion.

We currently, I think, as rating in the amount of money into Vietnam, I think we're probably 8th, something like that. Singapore is the largest investor in Vietnam, followed I think by Taiwan, Korea, Japan; France might be number five now or six, and then you'll have, believe it or not, the British Virgin Islands in there at seven, I think, and I think we're eight or nine.

So our standing is pretty high, surprisingly, and yet we have not really unleashed and have really not placed the full bearing of our capital in here. With the ratification of the bilateral trade agreement, I would anticipate enormous interest on American firms coming in here and looking for sector opportunities. And, in fact, we're already seeing a much higher level of interest shown into our commercial section by American companies looking for opportunities in Vietnam.

So once this is ratified, once the bilateral trade agreement is ratified, I can pretty well predict that there will be renewed interest, and I think you'll see the number of \$1.4 billion-\$1.5 billion to go up to \$2 billion quite quickly.

MS. CHITRE: Ambassador Peterson, thank you very much, and we'll see you tomorrow evening.

AMBASSADOR PETERSON: Okay, have a safe flight, and I enjoyed talking with you. Thank you. Bye-bye.

END 3:50 P.M (L)