



# Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release

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## **Statement of Senator Max Baucus**

### **Hearing Before the Finance Committee on**

### **Permanent Normal Trade Relations for Vietnam**

Reflecting on Vietnam's 1426 victory over China, the Vietnamese Confucian poet Nguyen Trai wrote: "Peace follows war as day follows night."

For America and Vietnam, those words once would seem only wishful thinking. Now those words seem entirely appropriate. They define the reconciliation between the United States and Vietnam.

Remember the Tet Offensive in 1968. Remember the Christmas bombing of Hanoi in 1972. Remember the helicopters leaving Saigon in April 1975.

I remember those times. At those times, I would never have dreamed that I would be sitting here sponsoring legislation to take the final step to normalize U.S.-Vietnam relations. I am proud to play a small part in this journey from night to day, from war to peace.

The journey began when President George H.W. Bush first sought daylight. He presented Vietnam a roadmap to normalization in April 1992.

The journey continued when my Finance Committee Colleague, Senator John Kerry, along with others, worked diligently in the early 1990s to account for prisoners of war and persons missing in action.

The journey continued when President Bill Clinton lifted the U.S. economic embargo on Vietnam in 1994 and normalized political relations the following year.

The journey pushed to its last mile when President George W. Bush and his administration worked diligently to pave the way for Vietnam's entry into the World Trade Organization. President Bush travels to Hanoi later this year.

And we will together complete the journey by granting Vietnam permanent normal trade relations.

America's relationship with Vietnam is no longer just about the past. It is no longer about the night.

It is about a hopeful present. It is about an even more promising new day.

More than three out of five of Vietnam's 83 million people were born after the war. Vietnam is booming. Vietnam's economy is growing by more than eight percent a year.

Vietnam is committed to economic reform. It is committed to opening markets. And it is committed to reducing poverty.

In the past five years, trade between America and Vietnam has quintupled. It has grown from \$1.4 billion in 2001 to \$7.6 billion in 2005. America trades more with Vietnam than we do with Peru, Costa Rica, Guatemala, Morocco, Oman, Bahrain, or other Free Trade Agreement parties. Vietnam is America's 44th-largest trading partner.

And Vietnam has reached these levels before joining the World Trade Organization. When that happens -- as it soon will -- Vietnam will further open its market to American farmers, ranchers, manufacturers, and service providers. The bilateral WTO accession deal that Vietnam and America concluded last May will yield significant benefits to America.

Vietnam will reduce to 15 percent or less its tariffs on agriculture goods that affect three-quarters of U.S. farm exports.

Vietnam will cut tariffs to 15 percent or less for 94 percent of U.S. exports.

Vietnam will permit U.S. banks, insurance companies, and distribution companies to establish 100 percent foreign-owned subsidiaries immediately or within a few short years.

And Vietnam will eliminate BSE-related restrictions on all beef products and recognize the equivalency of U.S. food safety inspections.

Vietnam's WTO accession is a big deal. It is a big commercial win for the United States. It is the most economically-significant trade initiative in some years. And it commands broad political support in both chambers of Congress.

But to get the benefit of Vietnam's accession, we must come together to grant Vietnam PNTR. We must come together to give Vietnam permanently what we already give it on an annual basis.

The time to do this is now, before the President travels to Hanoi in November.

The time is now, before other countries -- like China -- beat us to the punch by benefiting first from Vietnam's market-opening commitments.

Now is the time to complete the transition from the past to the future. Now is the time to step from night to day.

And, in so doing, may America and Vietnam fulfill other words of blessing penned by Nguyen Trai. In so doing, may we "regain tranquility for ten thousand generations."

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