

To hear testimony on “S.3495—A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Vietnam”
July 12, 2006

Statement for the Record From:
Senator John F. Kerry
United States Senate
304 Russell Senate Building
Washington, DC 20510

Mr. Chairman:

Today the Finance Committee is considering legislation that marks a critical step forward in U.S. relations with Vietnam. S. 3495 authorizes a permanent non-discriminatory trade relationship with Vietnam and is an important prelude to its accession to the World Trade Organization (WTO). This bill is necessary to fully integrate Vietnam into the world trading system, and I hope my colleagues will fully support it.

I am proud to be an original co-sponsor of this bill, continuing my long involvement in the effort towards the normalization of our relationship with Vietnam. The 25 year trade embargo on Vietnam was lifted in 1994. We established diplomatic relations in 1995, exchanged Ambassadors in 1997 and President Clinton made an historic visit to Vietnam in December 2000 -- the first U.S. Presidential visit to an integrated Vietnam. In 2001 Congress approved a bilateral trade agreement which provided Vietnam with conditional normal trade relations. Granting permanent normal trade relations to Vietnam is the next logical step in this process and will enable the country to fully integrate into the global economic system.

Vietnam’s accession to the WTO and the granting of PNTR will lay the foundation for a comprehensive normal bilateral trade relationship between our two countries. It will provide for continued growth in U.S. exports to Vietnam, particularly in sectors like aircraft and machinery (which are already doing well in Vietnam) and insurance, banking, and telecommunications. WTO membership will further strengthen our bilateral economic relationship by creating new trade and investment opportunities for both Vietnamese and U.S. businesses.

These positive economic steps finalize the process of normalizing our relationship with Vietnam. As one who was deeply involved in that process, working closely with Senator McCain and our other colleagues who served in Vietnam, I am pleased that the United States and Vietnam have successfully negotiated a mutually beneficial WTO accession agreement. During my tenure in the Senate I have had the opportunity to go back to Vietnam many times. I am always astounded by the change that I see as well as the opportunities for further growth. Vietnam has made great strides, especially in the economic arena with growth rates of 7 percent per year.

The Government of Vietnam understands that we expect to see additional progress in the opening of its political system and respect for human rights. The expanded role of the National Assembly, ongoing efforts to work with the International Labor Organization to improve worker rights, the growing impact of union leaders on legislation affecting their constituencies, an increase in press reports critical of the government, and growing participation in religious activities, made possible by new, less restrictive laws, are indications that progress is being made. However, there is no question that challenges remain and more needs to be done.

I will continue to monitor Vietnam's progress and continue to raise the need to make additional improvements with Vietnamese officials at the highest levels. But we should not lose sight of the fact that Vietnam is a more open society and change is taking place as a result of Vietnam's growing interaction with the international community and its integration into the world economic system. As the State Department acknowledged in its 2005 Country Reports on Human Rights, economic reforms and the rising standard of living in Vietnam continue to improve the daily lives and freedoms of the people of Vietnam.

Engaging the young population of Vietnam on these issues, as well as growing our economic partnership, means that successive generations of Vietnamese will know a different relationship with the United States than their parents and grandparents. This agreement moves the United States and Vietnam into an era of collaboration and friendship for a new generation.