

**Statement  
of  
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**before the**

**Subcommittee on East Asian and Pacific Affairs  
Committee on Foreign Relations  
United States Senate**

**March 12, 2008**

**U.S.-Vietnam Bilateral Relations**

**Introduction**

Chairman Boxer, Senator Murkowski, and Members of the Subcommittee, thank you for inviting me to testify today on the subject of U.S.-Vietnam bilateral relations. I have just returned from a trip to Hanoi and am pleased to have this opportunity to share my impressions of Vietnam with you.

The U.S.-Vietnam relationship has expanded in an impressive number of areas since we re-established diplomatic relations with Vietnam in 1995. President Bush's trip to Hanoi in November 2006 for the Asia-Pacific Economic Cooperation forum meeting and President Triet's visit to Washington in June 2007 reflect the advances in our relationship. Problems remain, especially in the area of human rights. Overall, we have made broad progress on issues where our interests coincide, as well as in our ability to

engage candidly on the areas where we differ. Continued engagement with Vietnam is clearly in U.S. interests.

### **Bilateral Ties -- From Conflict to Cooperation**

A good starting point for reviewing how our bilateral ties have evolved is to look at the dramatic transformation Vietnam has experienced as a country. When we first began re-engaging with Vietnam in the 1990s, the country was just beginning to recover from years of hard-core Marxism. Those years had ravaged an economy still reeling from war, and forced thousands into reeducation camps or to flee to the United States and other countries. Vietnam's foreign policy was marked by close alignment with the Soviet Union, and it was just ending a decade-long occupation of Cambodia.

Vietnam's leaders started reversing this dead-end approach in the late-1980s, by introducing a policy of "doi moi," or renovation, to boost economic growth. They turned away from central planning in favor of efforts to promote the private sector. Vietnam's leaders saw they had to integrate with the world economy to attract foreign trade, investment and technology. Subsequently, they launched what has turned out to be one of the most rapid economic revolutions in modern history. The United States encouraged this new orientation and has been actively facilitating change in Vietnam for over a decade through our development assistance and trade policy.

If Vietnam can continue to implement effectively more market reforms, it has the economic potential to catch up with the Asian tigers. Vietnam's GDP grew 8.5 percent in 2007, its highest growth rate in a decade. The urban middle class is growing, and retail markets are booming. In what the World Bank has described as one of the most successful anti-

poverty campaigns ever, Vietnam reduced its poverty rate from more than three quarters of the population in 1990 to under 14 percent in 2007. To succeed in its ambition to be an industrialized country by 2020, however, Vietnam will need to do more to develop its physical and human infrastructure, including tackling serious shortcomings in its education system.

Vietnam is rapidly integrating with the rest of the world. The country is increasingly influential in the Association of Southeast Asian Nations (ASEAN) and the Asia Pacific Economic Cooperation (APEC) forum, and joined the World Trade Organization (WTO) in January 2007. This January, Vietnam joined the UN Security Council for a two-year term. We are working closely with Vietnam in the Council and seek to strengthen our cooperation in that important forum over the coming two years.

### **Economic Ties**

Building on the promise of the 2001 U.S.-Vietnam Bilateral Trade Agreement (BTA), we have continued to expand our economic relationship through substantial growth in trade and investment. At the end of 2006, Vietnam was granted Permanent Normal Trade Relations (PNTR) with the United States. Vietnam then acceded to the WTO in January 2007, to the benefit of both our countries. In June 2007, the United States and Vietnam concluded a Trade and Investment Framework Agreement (TIFA) to support implementation of the BTA and Vietnam's WTO commitments, and to identify new opportunities to advance our trade and investment ties. Vietnam's WTO accession has helped push our two-way trade to \$12.5 billion in 2007, up 29 percent from 2006. While the trade balance remains in Vietnam's favor, U.S. exports to Vietnam grew an impressive 73 percent

in 2007, three times as fast as Vietnamese exports to the United States. As President Triet affirmed during his June visit to the United States, Vietnam welcomes more U.S. investment. Commerce Secretary Gutierrez led executives from 22 major U.S. companies on a trade mission to Vietnam in November 2007 to seek deals and expand our exports.

U.S. assistance for Vietnam's economic reforms focuses on good governance and transparency and has helped make possible our robust trade and investment ties. Through USAID-funded projects such as Support for Trade Acceleration, or "STAR," we have provided advice and input to Vietnam on a range of new laws related to implementation of Vietnam's BTA and WTO commitments. These efforts will help transform the Vietnamese economy by promoting a level playing field for the private sector, including both foreign and domestic companies. In the same vein, USAID's funding for the Vietnam Competitiveness Initiative has established an index that ranks each province on ease of doing business, based on the views of Vietnam's own firms. The Vietnamese government is using that tool to encourage greater transparency and anti-corruption measures at the local level. As a result, private Vietnamese firms have new influence over their own government's economic policy-making. Some Vietnamese leaders have voiced interest in expanding our economic governance programs into broader legal and administrative reform efforts.

### **Regional and Security Issues**

On regional and security issues, our cooperation with Vietnam is steadily expanding. In ASEAN and APEC, our engagement on issues such as free trade and counterterrorism has increased with Vietnam's rising influence. At the UN Security Council, we are seeking their backing on the

full range of international peace and security issues. In a first big test of its cooperation, Vietnam voted earlier this month in favor of the new Council resolution imposing sanctions on Iran. We hope to strengthen that cooperation during Vietnam's tenure in the UNSC. Bilaterally, we are working to help build capacity for peacekeeping and search-and-rescue through International Military Education and Training (IMET) programs, and U.S. Navy ships now call at Vietnamese ports. The USNS *Mercy* will make a planned visit to Vietnam this summer.

### **Combating HIV/AIDS and Avian Influenza**

Over the past few years, our cooperation with Vietnam on critical health issues, such as avian influenza and HIV/AIDS, has been expanding rapidly. Vietnamese authorities have been open and enthusiastic partners in combating both global health threats. Vietnam has welcomed U.S. assistance to combat avian influenza and has worked closely with us on this issue. Outbreaks of avian influenza have already caused four human deaths in Vietnam this year. We are the second largest bilateral donor in Vietnam, contributing approximately \$23 million since 2005, including \$10 million in FY2007 alone. Our assistance has focused on building emergency preparedness, laboratory capacity, and public awareness. We are working with Vietnam to move from an emergency-oriented response to a sustained programmatic approach. Vietnam is also one of fifteen focus countries under the President's Emergency Plan for AIDS Relief (PEPFAR), and work on HIV/AIDS makes up the lion's share of our official assistance to Vietnam. In fiscal year 2007 alone, we will spend \$66 million on HIV prevention, care, and treatment.

## **Human Rights**

Vietnam's economic and cultural integration into the world has helped open its society and expand social freedoms. Vietnamese citizens today enjoy greater freedom to live, work, and practice their faith, and most enjoy significantly improved standards of living.

However, in the area of political and civil liberties, serious deficiencies remain. People cannot freely choose their government, they risk arrest for peacefully expressing their political views, and they lack the right of fair and expeditious trials. The government continues to maintain significant restrictions on freedom of the press, speech, and assembly and Internet content. In early 2007, the government launched a crackdown on political dissent, arresting and imprisoning many individuals involved in the pro-democracy group Bloc 8406, and other fledgling pro-democracy groups. Some are still being held.

In November 2007, Vietnamese authorities arrested a group of pro-democracy activists including two American citizens. After pressure from the Administration and Congress, and many others in the international community, several individuals were released, including one American. Another American, Dr. Nguyen Quoc Quan, remains held in a jail in Ho Chi Minh City. Among the prominent dissidents who are still imprisoned are Father Ly, Nguyen Van Dai and Le Thi Cong Nhan. During my visit to Hanoi this month, I raised all these cases with senior Vietnamese officials, stressing that we object to the arrest of any individual for peacefully expressing his or her views, and making clear that anyone arrested on that basis should be released immediately.

Despite the setbacks, there have been some positive developments over the past two years: the resumption of our bilateral human rights dialogue, the release of some high-profile prisoners of concern, greater access by the international community to the Central Highlands and to prisons to assess conditions, and the repeal of Administrative Decree 31, which allowed authorities to circumvent due process. Visiting Vietnamese officials, such as a high-level group visiting Washington this month from the Central Highlands, are showing more interest in meeting with NGOs, Vietnamese-American groups, and Members of Congress to discuss human rights issues. We strongly encourage this type of engagement. Vietnam has also taken some encouraging steps to combat corruption. Last week, the top Communist Party official in Can Tho province in southern Vietnam was reprimanded and fired for corruption related to improper land deals.

Our annual Human Rights Dialogue also provides an important channel to raise concerns with the Government of Vietnam. We held our second meeting since the resumption of the Dialogue in April 2007, and plan a third meeting this May in Hanoi. It is a frank exchange where we raise our concerns and pull no punches. The Vietnamese government says they value it, and have made limited improvements, but they must do more. We have emphasized that the Dialogue has to focus on concrete action by the government to improve the human rights situation, and must produce tangible results.

Our message to Vietnam is that the United States cares about this issue not because we seek to destabilize their government, but because we value respect for universal human rights and human dignity. We also demonstrate to Vietnam that improving the protection of human rights is in its interests and will make the country stronger. There are steps we would

like the Vietnamese to take right now, such as ending the use of catch-all “national security” provisions like Article 88 of the criminal code, which outlaws “conducting propaganda against the State,” and the release of all remaining political prisoners.

Madame Chairman, I assure you that we will continue to push vigorously for a greater expansion of the civil and political rights of all Vietnamese citizens and for the release of all political prisoners.

### **Religious Freedom**

In contrast to the slow progress on political rights, religious freedom in Vietnam has expanded significantly. From 2004 to 2006, the State Department designated Vietnam as a “Country of Particular Concern” (CPC) regarding religious freedom. At that time, many religious communities faced harassment and forced renunciations, and the country had 45 known religious prisoners. Official policy supported a hard line approach, especially in some rural areas considered “sensitive” by Vietnam’s government. By November 2006, Vietnam had addressed the problems that constituted severe violations of religious freedom as defined by the 1998 International Religious Freedom Act.

The Vietnamese government explicitly changed many aspects of official policy that had restricted religious practice and introduced a new law on religion that banned forced renunciation, enshrined individual freedom of religion, and allowed registration of hundreds of Protestant congregations. The government released all those individuals that the United States had identified as prisoners of concern for reasons connected to their faith. It has invited any information on allegations that the law is not being carried out. We have monitored the implementation of the expansion of religious



freedom carefully -- and been given the access to do so. We have found cases in which local authorities have not followed the new law. When that happens, we have either brought them to the attention of the government, or monitored efforts by religious groups to ensure compliance with the new law.

During my visit to Hanoi, I met with officials of the Catholic Church and Evangelical Church of Vietnam (North), who confirmed there have been significant improvements, although they also noted concerns over property disputes and the pace of registrations of new denominations. In February, Catholics in Hanoi staged a series of large-scale prayer vigils urging the government to return a property once used by the Papal Nuncio. Before this confrontation reached a crisis point, the Hanoi Archdiocese and the government agreed to resolve the dispute through negotiation. The leaders I met also called for the government to permit a greater role for churches in charitable and social activities, such as poverty alleviation, education, health care and disaster relief.

Since the CPC designation was removed, there has been further progress: The government has issued seven national-level registrations of denominations, and held over 3,000 training courses and 10,000 training workshops for officials throughout the country on how to implement the new law on religion. Relations with the Vatican have also improved. A meeting between Prime Minister Dung and Pope Benedict XVI led to the launch last October of a Joint Working Group to establish diplomatic relations.

Vietnam can and should do more to advance religious freedom. We would like to see the government quicken the pace of registrations for new denominations and accelerate the training of local officials on the new legal framework. Vietnam, however, no longer qualifies as a severe violator of

religious freedom. Key religious leaders from different faiths within the country have confirmed this. It is vital that we continue to monitor the situation. It is also important that we recognize progress and urge that the good work continue.

## **Adoption**

Another challenge to our bilateral relationship is inter-country adoptions. Hundreds of caring Americans parents have adopted children from Vietnam since the United States and Vietnam resumed processing inter-country adoptions in 2006. This renewed interest has put great pressure on a Vietnamese social and governmental infrastructure that, in our evaluation, simply has been unable to respond adequately. We have observed a disturbing trend of fraud and illegal activity in recent months that threatens the integrity of the program by denying birth parents their rights and placing the lives of infants at risk. Our goal is to work closely with the Vietnamese government and other interested parties to reform the international adoption process in Vietnam while facilitating cases that meet the requirements of Vietnamese and U.S. law and regulations.

We have raised these concerns at high levels with Vietnam and urged their government to accede to the Hague Convention on Adoptions. We have offered technical assistance to develop the institutions that would enable them to become compliant with safeguards in the Hague Convention. Our goal is to work with Vietnam to fix the system, so that we can process adoptions from Vietnam while ensuring the protection of the children, the birth parents, and the adoptive parents.

## **Education**

In a further sign of our growing bilateral relations, our educational ties with Vietnam are expanding rapidly. Young Vietnamese leaders have a great appetite to learn about American society and values; our support for sharing the American experience with them is a vital long-term investment. The Fulbright program for Vietnam is one of our largest in Asia; we are working to expand it further with corporate support. The Harvard-affiliated Fulbright Economics Training Program in Ho Chi Minh City is a highly successful program giving hundreds of mid-level Vietnamese officials the public policy tools to keep the country on its market-driven path. The Vietnam Education Foundation (VEF) supports Vietnamese students of science and technology currently in U.S. colleges. Our Ambassador in Hanoi has been active in bringing harmony to all the U.S. efforts on education. Vietnam's top leaders say they want the Peace Corps in Vietnam, and the Peace Corps has discussed with the Vietnamese government the possibility of establishing a country program. We hope to see those talks progress.

## **Legacies of War**

Finally, it is important to note that we continue to work closely with Vietnam on issues related to the legacy of war. Our efforts to obtain the fullest possible accounting for our personnel missing from the Vietnam War remain an important component of our bilateral relationship. Since 1973, we have been able to repatriate and identify the remains of 883 Americans, 627 of whom were lost in Vietnam. We continue to enjoy good cooperation from Vietnam in the accounting mission, but have requested additional records pertaining to their forces in areas of Laos and Cambodia where we

still have unresolved cases. Later this year, we will meet with our Vietnamese counterparts to assess 20 years of cooperation on the accounting mission, and assess how we can do the accounting mission better.

The United States is the largest donor of humanitarian assistance for mine-action programs to Vietnam, providing \$40 million since 1993. In addition, we have given \$43 million in disability assistance since 1989 through the Leahy War Victims Fund, set up to assist Vietnamese with disabilities of all kinds. Support from Congress is also helping us defuse a delicate bilateral issue: the defoliant Agent Orange and its contaminant dioxin. Since 2002, we have given \$2 million to help Vietnam build capacity to deal with environmental challenges posed by dioxin, and we are now devising a plan to implement \$3 million more set aside by Congress for environmental remediation and health-related programs. U.S. engagement has spurred other donors, such as the Ford Foundation, UNDP, and the Czech Republic, to join in a multilateral effort to address the impact of dioxin. While the United States and Vietnam may disagree on aspects of this emotional issue, we have reached a point with Vietnam where we can focus on helping disabled individuals regardless of cause, and address this issue in a cooperative manner, increasingly free of hyperbole.

## **Conclusion**

Madame Chairman, before I close, I want to emphasize the vital role that Congress has played in advancing U.S.-Vietnam relations over the years. With the support of Congress, we reestablished diplomatic relations with Vietnam and made it a permanent normal trading partner. As Vietnam and our bilateral ties have improved, Congress has reinforced our efforts to

expand our engagement, and ensured that human rights and religious freedom remain high priorities in our relationship.

Over the last thirteen years, our relationship with Vietnam has transformed from one of conflict to one of cooperation. The country has changed tremendously in that time, and the lives of the vast majority of its people have improved in clear and measurable ways. Problems remain, especially in the area of human rights and democracy, and we must address them squarely. It is in our national interests to keep the United States involved in Vietnam's transformation as a partner, and when needed, as a constructive critic.

Thank you for giving me the opportunity to appear before you today. I would welcome your questions.