



Indochina

Digest

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US-Vietnam Normalize Relations

On 11 July, President Clinton announced that the US would establish diplomatic relations with Vietnam. Following is the excerpted text of the President's remarks at a White House ceremony:

Today, I am announcing the normalization of diplomatic relationships with Vietnam.

From the beginning of this administration, any improvement in relationships between America and Vietnam has depended upon making progress on the issue of Americans who were missing in action or held as prisoners of war. Last year, I lifted the trade embargo on Vietnam in response to their cooperation and to enhance our efforts to secure the remains of lost Americans and to determine the fate of those whose remains had not been found.

It has worked. In 17 months Hanoi has taken important steps to help us resolve many cases. Twenty-nine families has received the remains of their loved ones, and at last have been able to give them the proper burial. Hanoi has delivered to us hundreds of pages of documents shedding light on what happened to Americans in Vietnam, and Hanoi has stepped-up its cooperation with Laos, where many Americans were lost. We have reduced the number of so-called "discrepancy cases," in which we have had reason to believe that Americans were still alive after they were lost, to fifty-five, and we will continue to work to resolve more cases.

Hundreds of dedicated men and women are working on all these cases, often under extreme hardship and real danger, in the mountains and jungles of Indochina. On behalf of all Americans, I want to thank them, and I want to pay a special tribute to General John Vessey, who has worked so tirelessly on this issue for Presidents (Ronald) Reagan and (George) Bush, and for our administration. He has made a great difference to a great many families, and we, as a nation, are grateful for his dedication and for his service. Thank you so much.

Let me emphasize, normalization of our relations with Vietnam is not the end of our effort. From the early days of this administration, I have said to the families and veterans groups what I say again here: We will keep working until we get all the answers we can.

Our strategy is working. Normalization of relations is the next appropriate step. With this new relationship, we will be able to make more progress. To that end, I will send another delegation to Vietnam this year. Vietnam has pledged it will continue to help us find answers.

We will hold them to that pledge.

By helping to bring Vietnam into the community of nations, normalization also serves our interest in working for a free and peaceful Vietnam in a stable and peaceful Asia. We will begin to normalize our trade relations with Vietnam whose economy has now liberalizing and integrating into the economy of the Asia Pacific region.

I believe normalization and increased contact between Americans and Vietnamese will advance the cause of freedom in Vietnam just as it did Eastern Europe and the former Soviet Union. I strongly believe that engaging the Vietnamese on the broad economic front of economic reform, and the broad front of democratic reform, will help to honor the sacrifice of those who fought for freedom's sake in Vietnam.

I am proud to be joined in this view by distinguished veterans of the Vietnam War. They served their country bravely. They are from different parties. A generation ago, they had different judgments about the war which divided us so deeply. But today, they are of a single mind. They agreed that the time has come for America to move forward on Vietnam.

All Americans should be grateful especially, that Senators John McCain, John Kerry, Bob Kerrey, Chuck Robb, and Representative Pete Peterson, along with other Vietnam veterans in the Congress, including Senator Harkin, Congressman Kolbe, and Congressman Gilchrest, who just left, and others who are out here in the audience. They have kept up their passionate interest in Vietnam, but were able to move beyond the haunting and painful past, toward finding common ground for the future.

This step will also help our own country to move forward on an issue that has separated Americans from one another for too long now. Let the future be our destination. We have so much work ahead of us. This moment offers us the opportunity to bind up our own wounds. They have resisted time for too long. We can now move on to common grounds. Whatever divided us before, let us consign to the past. Let this moment in the words of scripture, "Be a time to heal, and a time to build." Thank you all. And God Bless America.

Prime Minister Kiet's response

On 12 July, Vietnamese Prime Minister Vo van Kiet issued the following excerpted statement on the decision of the US to normalize its relations with Vietnam:

President Clinton's statement to extend diplomatic recognition to and establish normal relations with Vietnam is an important decision, reflecting the wish of broad sections of the American people to put the past of war



behind and to build a normal, friendly and cooperative relationship with Vietnam. This decision is in keeping with the prevailing trend of the international situation and contributes positively to the cause of peace, stability and development in Southeast Asia as well as in the world at large.

For years, the Government and people of Vietnam's position has been that the United States and Vietnam should look forward to the future and entertain normal mutual relations. Therefore, the Government and people of Vietnam welcome the July 11 decision of President Clinton and stand ready to work with the United States Administration in order to reach an agreement for a new framework for relationship between the two countries on the basis of equality, mutual respect for each other's independence and sovereignty, mutual benefit and conformity with the universally-recognized principles of the international law. I do hope that the governments and peoples of the two countries will cooperate effectively to further resolve the humanitarian issues left behind on both sides by the war, expand relations to areas of mutual interest, first and foremost in the economic, trade, scientific and technological fields.

The Government and people of Vietnam wish to express their sincere gratitude to all the individuals and organizations in the United States as well as in other countries who have contributed to the process of normalization of US-Vietnam relations.

On this occasion, the Vietnamese Government once again reiterates its consistent policy of actively working together with all countries in the world community especially with neighboring countries in Asia for peace, stability, cooperation and development.

The ceremony

The 11 July announcement took place in the East Room of the White House, where the President was flanked by members of his administration, and members of Congress, including Vietnam veterans John McCain (R-AZ), John Kerry (D-MA), Bob Kerrey (D-NE), and Chuck Robb (D-VA) of the Senate, and Congressmen Pete Peterson (D-FL). There were no members of the Vietnam Liaison Office in Washington present at the ceremony. Members of the American Legion and the National League of Families met with the President earlier in the day, but boycotted the ceremony. "It would have been somewhat hypocritical to lend physical support to an action that we feel is a mistake and unwarranted," said League Executive Director Ann Mills Griffiths.

Reactions

◆ **US: divided?** - The President's announcement received mixed reviews among members of Congress, veterans and veterans organizations, Vietnamese-Americans, and the American public. Some members of Congress threatened to introduce legislation that would bar the use of federal funds to establish an embassy in Vietnam, and Senators suggested that they will not approve any nomination for the position of US Ambassador to Hanoi. On 12 July, House International Relations Committee Chairman Ben Gilman (R-NY) held a hearing on the MIA issue, which was largely dominated by Republicans who oppose normalization. Senators Bob Dole (R-KS), Phil Gramm (R-TX), and Arlen Specter (R-PA) opposed the move, along with other presidential candidates Rep. Bob Dornan (R-CA), California Governor Pete Wilson, and Patrick Buchanan. Senator Richard Lugar (R-IN) and

former Tennessee governor Lamar Alexander, who are also running for president, supported Clinton's decision. Most of the major veterans organizations issued statements opposing the move, while the Veterans of Foreign Wars said they support normalization only if it furthers the MIA accounting process. Individual Vietnam veterans and Vietnamese-Americans interviewed by the media came down on both sides of the issue. A CNN/USA Today/Gallup poll indicated that 61% of Americans favored normalization, while 27% are opposed. "I think its [normalization story] going to be a 48-hour story," Senator McCain said.

◆ **Vietnam: devoted?** - Deputy Foreign Minister Le Mai noted that Ho Chi Minh tried to get US support for Vietnam's independence from the French. "We have been trying to make friends since 1945," Mai said. Dr. Vu Dinh Cu, chairman of the National Assembly's Committee for Science, Technology and the Environment, and vice-president of the Vietnam-USA Society, said Vietnam also has opponents of normalized relations, but that they are in a minority. "I think in America they are also in the minority," he said. "When these people see that after normalization the problem of POWs and MIAs is solved, and that it helps stability in the region, they can change their point of view."

◆ **International: delighted?** - The announcement received positive reactions from around the world. Countries issuing public statements in support of the move included Japan, Taiwan, the Philippines, Indonesia, and Russia. Hong Kong noted that the move will increase exports to Vietnam. India worried that US-Vietnam relations could divert more foreign investment from India to Vietnam. World Bank vice president Russell Cheatham said that normalization will help Vietnam integrate further with the international economic system and boost trade and investment.

The next steps

Upcoming actions include upgrading the US Liaison Office in Hanoi to an embassy and appointing an ambassador. The US may also begin to negotiate the opening of a US Consulate in HCMC. On economic issues, the administration will begin an inter-agency review process, in consultation with Congress, to determine Vietnam's eligibility for a number of economic programs and benefits. A White House press statement noted this process will be "consistent with our commitment to ensuring progress on human and labor rights."

◆ **MFN** - To receive most-favored nation status, a bilateral trade agreement must be negotiated and approved by both houses of Congress. Under the Jackson-Vanik amendment, the President must issue a finding that Vietnam allows free and open emigration, or issue an annual waiver.

◆ **GSP** - Favorable tariffs under the Generalized System of Preferences can only be granted to a developing country which already enjoys MFN status. In addition, requirements under the law are closely tied to labor rights of workers in the beneficiary country.

◆ **EXIM Bank** - The Export-Import Bank is prohibited from providing loans or credit to "Marxist-Leninist" countries, unless the President makes a finding that it is in the "national interest" to provide financing. The President can deny EXIM bank financing if he determines that such a denial is in the national interest to promote human rights. EXIM financing is also subject to Jackson-Vanik.



◆ **OPIC** - The Overseas Private Investment Corporation provides insurance to US investors against war, nationalization, and other political risks. The prohibition against OPIC funding to communist countries can be waived by a national interest finding by the President. OPIC programs are subject to Jackson-Vanik and compliance with internationally-recognized labor rights. OPIC programs may also be denied to countries which engage in a consistent pattern of gross violations of human rights.

Other US policy updates

◆ **Christopher to Cambodia, Vietnam** - Secretary of State Warren Christopher will attend the annual ASEAN meeting in Brunei from 31 July-3 August. Following the meeting, Christopher plans to visit Phnom Penh on 4 August, and Hanoi on 5 August.

◆ **House approves MFN for Cambodia** - On 11 July, the House of Representatives passed legislation granting Cambodia most-favored nation trading status. The measure still requires Senate approval.

◆ **From Cambodia to Cameroon** - On 13 July, President Clinton announced his intention to nominate Charles H. Twining as US Ambassador to the Republic of Cameroon. Twining is currently serving as US ambassador in Phnom Penh. Former Assistant Secretary of State Ken Quinn is slated to replace Twining as Ambassador to Cambodia.

TRADE/INVESTMENT

Vietnam updates

◆ **Japanese fertilizer JV** - On 13 July, Japan's Nissho Iwai Corp and Central Glass Co Ltd signed a US\$35 million joint venture agreement with a Vietnamese partner to produce chemical fertilizer. The plant will be established near Long Thanh in the southern province of Dong Nai, and will have a capacity to produce 240,000 tons of NPK (nitrogen, phosphate, potassium) fertilizer per year for domestic use.

◆ **US software contract** - On 13 July, Denver-based Scientific Software-Intercomp Inc (SSI) announced that the Russian-Vietnamese joint venture oil company, Vietsovpetrol, awarded SSI a US\$2.7 million contract to conduct a reservoir study of the *Bach Ho* (White Tiger) oil field. The study will develop a complete plan for the future exploitation of the *Bach Ho* field, and will involve oil service field companies Schlumberger/GeoQuest, Halliburton, and Golden Geophysical as subcontractors to SSI.

◆ **Vietnamese overseas banking** - On 14 July, an official of the Bank of Foreign Trade of Vietnam (Vietcombank) announced that the bank is planning to establish representative offices in Paris, New York, and Moscow. The official said that the bank has been awarded a license by Vietnamese authorities for the Paris office, and negotiations for the New York and Moscow offices are continuing. Vietcombank has 17 branches in Vietnam, and relations with more than 1000 banks in over 80 countries.

◆ **Power/fertilizer study** - Several foreign companies have reached agreement with Vietnam over a feasibility study for a US\$800 million gas-fired power station and fertilizer plant at Phu My near Ba Ria-Vung Tau. Involved are Broken Hill Proprietary Co Ltd, British Petroleum, Statoil, Tomen Corp, and Belgium's Tractebel. The study will be finished by July 1996. The project, which should be in operation by early 1999, will be one Vietnam's biggest industrial concerns.

Laos updates

◆ **Korean construction** - On 13 July, South Korea's Il Sung Construction Co announced that it has signed a memorandum of understanding for a US\$3 billion construction contract in Laos. Projects include a US\$1.25 billion airport, US\$500 million worth of railroad, a US\$300 million power plant, US\$120 million worth of roads, and US\$100 million in hotel construction. An Il Sung official said the company plans to complete the projects by 2005.

◆ **RR JV** - The Lao government is considering a proposal to construct a 30 kilometer railroad that will link Thailand's Nong Khai city with Vientiane via the Australian-built Thai-Lao Friendship Bridge. The Lao government is expected to hold a 25% share of the US\$36 million railroad, with the remainder being held by Thai and other foreign shareholders. The project is being planned as the first stage of a 1400 kilometer rail network in Laos.

VIETNAM

Updates

◆ **Dissident to emigrate** - On 8 July, Vietnam issued passports to human rights activist Tran Vong Quoc and his wife to join relatives in the US. Quoc, who spent 11 of the past 20 years in prisons, was arrested most recently in 1994 for sending information to international groups, and released last year on medical parole for a kidney disorder. US Senator Frank Lautenberg (D-NJ) raised the passport issue for Quoc and his wife during a recent visit to Hanoi.

◆ **China border talks** - On 11-13 July, the third round of government talks on border issues were held in Beijing between delegations led by vice foreign ministers Tang Jixuan of China and Vu Khoan of Vietnam. The two sides agreed that experts will start negotiating on the territorial waters issue around the Spratly Islands. The two sides also reviewed progress on land border issues.

◆ **World Bank loans** - On 11 July, Vietnam and the World Bank signed agreements for two International Development Agency (IDA) loans worth US\$265 million to upgrade power and irrigation systems. The loans bring the total amount of funding the World Bank has approved for Vietnam to US\$740 million since it resumed lending in November 1993. World Bank Vice President Russell Cheatham said that the bank's lending program for Vietnam is presently set at US\$400-450 million per year.

◆ **Romanian accords** - Romanian Prime Minister Nicolae Vacaroiu visited Vietnam on 7-8 July, and met with government officials and business leaders. During the visit, the two countries signed agreements on the prevention of double taxation, consular affairs, and cultural cooperation.



◆ **Author of national anthem dies** - Nguyen van Cao, the writer of a hymn about the Vietnamese independence struggle that eventually became the national anthem, died on 11 July after a long illness. He was 72. Cao wrote the anthem, called "Marching Forward," in 1944 to glorify the efforts of Ho Chi Minh and his followers against France.

CAMBODIA

Updates

◆ **FM visits Malaysia** - On 12 July, Foreign Minister Ung Huot left for Malaysia to formally establish a joint commission to strengthen relations. Malaysia is the largest investor in Cambodia, with a total investment of US\$1.37 billion. The two sides also discussed Cambodia's plans to become part of ASEAN.

◆ **More political shakeups** - On 3 July, Second Prime Minister Hun Sen called for the removal of Kem Sokha as chair of the National Assembly's Human Rights Commission. Kem Sokha has been an outspoken advocate of human rights in Cambodia, and has been criticized by Hun Sen on several occasions in the past. Kem Sokha could also lose his seat in the parliament because of a dispute within his party, the Buddhist Liberal Democratic Party (BLDP). On 9 July, the Ieng Mouly faction of the BLDP held a party congress, electing a new executive committee, with Ieng Mouly as president. None of those elected were supporters of BLDP president Son Sann. The committee issued a vote of "no confidence" to six BLDP members, including Son Sann and Kem Sokha. The six may be expelled, which would result in the loss of their seats in the National Assembly.

◆ **Media law passes parliament** - Parts of a tough media law were passed in the Cambodian parliament on 10 and 11 July. Article 12 of the new law, criticized by human-rights lawyers as "killing the freedom of the press in Cambodia," states: "The press shall not publish or reproduce information which affects national security and political stability." Violation of the law is punishable by fines up to US\$6000 and jail time. Another part of the media law restricts "rude" language and pornographic pictures.

◆ **Population explodes to 10 million** - A UN report released 10 July stated that Cambodia's population, which has reached 10.4 million, was outpacing the growth of resources of food, health care, education, and employment. The study also traced the effects of Pol Pot's regime, blaming the 1970's "Killing Fields" reign for the loss of two million people and the large majority of women in the country.

FYI

Hue musicians visit

The Perfume River Traditional Ensemble, a group of 11 musicians and singers from Hue, will tour the northeastern US. Performances are scheduled for Lowell, MA on 26, 28-30 July, Washington on 1 August, New Haven, CT on 3 August, and New York City on 4 August. The group's sponsors are the Regatta Festival Committee, the National Council for the Tradition Arts (NCTA), the Parker Foundation, and the NEA Folk and Traditional Arts Program. For more information about these performances, contact the NCTA at 301-565-0654.

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