



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Chairman Chuck Grassley

Senate Finance Committee Markup of S. 3495:

A bill to authorize the extension of nondiscriminatory treatment to the products of Vietnam

Thursday, July 27, 2006

The Committee will now convene in open executive session to consider favorably reporting S.3495, a bill to authorize the extension of nondiscriminatory treatment to the products of Vietnam. This treatment is also referred to as permanent normal trade relations. The Committee held a hearing on July 12<sup>th</sup> to examine the benefits of Vietnam's accession to the World Trade Organization. And those benefits are significant. With respect to agriculture, we'll realize significant reductions in duties on our exports of beef, pork, soybean, fruit, and dairy products, among others.

With respect to manufactured goods, more than 94 percent of U.S. exports will face duties of 15 percent or less. And with respect to services, Vietnam will provide significant market access opportunities across the entire services spectrum. Key areas include banking, insurance, telecommunications, energy, express delivery, distribution, and computer and related services. So the commercial merits of Vietnam's accession to the World Trade Organization are amply demonstrated. To reap the commercial benefit of Vietnam's commitments, we need to extend permanent normal trade relations. And that means graduating Vietnam from application of the Jackson-Vanik amendment in our trade laws. That's exactly what S.3495 would authorize the President to do.

But the Committee's hearing raised other important concerns. In particular, Vietnam's poor track record on protecting human rights and religious freedoms was highlighted. The Committee heard testimony from Administration witnesses, the private sector, and non-governmental organizations. And one common theme became clear. While the Government of Vietnam has made important improvements in the protection of human rights and religious freedoms over the past few years, much more work remains to be done. I've been thinking about this issue quite a bit. I've asked for more information from the Vietnamese Embassy, and I received a prompt response.

I've also received a letter from the Vietnamese Ambassador reaffirming the Government of Vietnam's commitment, in terms of both policy and practice, to respect its peoples' right to religious freedom and faith. The Ambassador also reaffirmed the Government of Vietnam's commitment to continue a constructive bilateral dialogue with the United States on issues of human rights and religious freedoms. The question is, will we see the same type of commitment once Vietnam accedes to the World Trade Organization? Now, the State Department already issues an annual International Religious Freedom Report that specifically addresses Vietnam.

The State Department also issues an annual report on Human Rights Practices that specifically addresses Vietnam. And, we have a bilateral Human Rights Dialogue with Vietnam that was

resumed this past February after a four-year suspension. So I think we have the infrastructure in place to monitor and engage Vietnam regarding our concerns over human rights and religious freedoms. And I expect the Administration to continue to utilize that infrastructure. The Government of Vietnam should be under no illusion. Accession to the World Trade Organization is just the first step in deepening our ongoing relationship.

I expect we will continue to raise concerns regarding human rights and religious freedoms, because things don't change overnight. And when we do raise them, I expect Vietnam to engage in constructive dialogue to address those concerns. This is not a matter of interfering in the internal affairs of Vietnam. For us, it's a matter of engaging on a fundamental national priority that serves the interests of the Vietnamese people as well.

In September 2004, we designated Vietnam a country of particular concern under the International Religious Freedom Act of 1998. That designation is given to countries that tolerated particularly severe violations of religious freedom. Since then, the Vietnamese government has revised its legal framework to expressly guarantee the right of freedom of belief and religion. In May 2005, we concluded an agreement under the International Religious Freedom Act to further promote freedom of religion in Vietnam. And since then, there are signs of greater acceptance of various types of religious activities, including house churches. I'm encouraged by such positive developments. But reports of violations continue with respect to both religious freedoms and human rights, particularly in the Northwest Highlands and the Central Highlands. These reports cannot go unanswered. I expect the Administration to remain diligent in raising legitimate concerns with the Vietnamese government. And chief among these concerns is the uneven implementation of Vietnam's commitments at the provincial and local level. I urge the Administration to monitor such implementation efforts closely. On the whole, I believe our recent experiences demonstrate that engagement with Vietnam produces positive results. I believe we need to enhance that engagement by supporting Vietnam's entry into the World Trade Organization.

By bringing Vietnam into the community of trading nations, we will help promote the internal reform process and enhance accountability and respect for the rule of law. And we will bolster progressive elements within the Vietnamese government. As I said, this is but a first step. This is as much about our relationship with Vietnam a generation from now as it is about increasing trade flows over the next few years. We need to take this step today. I urge my colleagues to join me in supporting this important legislation.