

Vietnam-United States Economic Relations

'The US aid to Vietnammost of it is under the form of non-government aid.....1954-1975....US and the Government of South Vietnam economic aid was predominantly over trade and investment.' p ix

'... the successes and failures of developing economies.....showed that trade and investments rather than aid were the main engines of their economic growth and industrialization.' p 3

'The case of the South Vietnamese economy during the 1954-1975 period was a typical example of those economies which could not develop even though they have got large amounts of foreign aid, including economic aid.' p 7

'At the peak time of the war as in 1968, the costs of the war amounted to \$77 million a day.' p 15

'Up to the year of 1975, about over 1/3 of the 42,000 bourgeois in the South of Vietnam were officials of the Saigon Army. The policy satisfied the officials of the Saigon Administration and the officials of the Saigon Army but lost the confidence of the people.' pp 20-21

'... economic aid was not simply for the economic purpose, instead it was first of all for the military and political ends, while the economic objective was just the by-product of the US economic aid.' p 26

'Mr Eugene R Black, the former President of the World Bank, disclosed, US aid would help US enterprises to obtain "three main interests";

- Creation of stable and direct markets for American goods and services;
- Promotion of new overseas markets for US companies;
- Orientation of the economies of the aid recipient countries into a free enterprise system where US companies could be able to enrich themselves.' [quoting from Phong D, "21 Years of US Aids in Vietnam" Price and Market Research Institute, Hanoi, 1991, p 12] p 28

‘...The United States also provided loans as aid during this period through the Import and Export Bank to Southeast Asian countries to enable them to purchase US grain and other food under the Agricultural trade Development Assistance program or US Public law 480. This Program was initially set up to help US companies to export the extra grain and food which was not able to be sold in the US domestic market, then it was developed into an economic assistance program, “a valuable instrument of foreign economic policy” of the US Government.’ p 30

‘Food for Peace..... To the 1960s, this Program became more important when the United states started to use it as part of the implementation of the “Decade of Development”, under which the US Government not only stressed on the sale of their extra food as they had often done, but also paid attention to the support of US private companies in their research and investment in agriculture and food production in the aid recipient countries.’ p 32

‘Commercial Import Program (or Commodity Import Program or the Defence Support Program) It was first used to import consumer goods which created a consumptive lifestyle in an underdeveloped society characterised by a backward economy where production had not been able to afford high demand.’ p 35

‘There was hardly a desk in the Vietnamese government that did not have an advisory desk on the American side.’ quoted from Dacy D, “Foreign Aid, War and Economic Development –South Vietnam, 1955-1975”, University of Texas at Austin, Cambridge University Press, London, 1986, pp196-197] p 38

‘.....from December 1961 the US Government stopped allowing the Saigon Administration to use its aid to import goods from other countries, instead it forced the Saigon Administration to spend US aid to purchase US goods, thus opening the way for US goods to dominate the market of South Vietnam.’ pp 41-42

‘In 1961 Ngo Dinh Diem signed the “Treaty of Amity and Economic Liaison” in which the Ngo Dinh Diem Administration committed itself to give privileges to US direct investment through the provision of favourable conditions to their investments in different

economic sectors, in the purchase of land and materials, in the utilization of public facilities, the employment of workers, the repatriation of their profits to their home country, and in the realization of their contracts concerning the distribution of their products. The Ngo Dinh Diem Administration also committed not to nationalize in the long-term the investments by US companies in various economic sectors, in some cases US investments would not be nationalized for as long as 99 years.’ pp 45-46

‘FDI in South Vietnam during this period acquired very high rates of profit thanks to the advantages of the low labour costs and the relatively large market, though they were not large in quantity. The total amount of foreign direct investments in South Vietnam during the period of 1956-1974 was only US\$13 million, while the profits they earned and transferred to their home countries were amounted to US\$178 million, the ratio was 13 to 1, not just “four to one” as it was praised in a Vietnamese saying.’ p 47

‘In the theories of the market economy, savings are usually considered to be the central factor of development or the engine of growth. An economy maintaining high savings rate normally registers high growth rate but does not bring about high development if the savings was not generated mainly from the development of the economy itself and the development is not a sustainable one.’ p 51

‘... savings normally come from both internal and external sources. Of these two sources, the internal one often plays the decisive role and constitutes a long term and basic significance for the development process as well as for the building of a self-sustained economy, while the external source, though very important, is normally regarded as a supplementary factor..... Otherwise, they would turn the economy to be heavily dependent of foreign aid, or “*an aid economy*”, which might gain temporary growth, and not long-term development.’ p 52

‘... thus when aid ended the economy fell down.’ p 53

‘They [South Korea, Taiwan and Israel] efficiently combined the external sources with domestic ones, emphasising the importance of foreign aid along with the increasing mobilization of domestic

sources through such measures as taxation, bank deposits, and promotion of private investments in order to serve the goal of development.’ p 53

“It [aid] gave birth to a series of processing factories with a series of capitalists. It introduced stalls and shops with full of goods on streets and markets.” [quoting Phong D ‘21 years of US Aids in Vietnam’, Price and Market Research Institute, Hanoi, 1991, p 91]

The more the monetary economy was developed, the more the import of goods was raised and the more the service sector was swelled up.’ p 56

‘In a larger and more precise term, there existed a consumption society within a poor, backward and agrarian society.’ p 58

‘What products and services did they mainly consume? The answer is that in the cities they were beer, wine, canned foods, cars, multi-storied houses, all kinds of luxuries, night clubs, discotheques, etc.; while in the rural areas, “the brand-new products they used.... were not.... to serve production but they were Honda motorbikes, radios, transistor television, bottled beer, soft drink, fine cigarette, artificial silk and other expensive products.” [Phong D p106] p 58

‘Small savings led to small accumulation, hence small investment that was the reasonable logic of non-development situation.

The single largest cause of all the above-mentioned economic weaknesses was *the lack of a sound, realistic and long-term economic policy* or a clear, feasible, and long-term industrialization strategy.’ p 69

‘... the history of over 20 years of development had left a number of components or bases of the market economy which have continued to affect the development of the Vietnamese economy since then.’ p 72

‘Normally the first to be discussed among those components of the market economy is the trade system, because it is place where most of the exchanges of goods and services, and the activities and transactions of buyers and sellers occur.’ p 72

‘Under the American domination, the role of the French capitalists had been replaced by the Americans, the Taiwanese, the Indians and other foreigners, while the power of the Chinese capitalists was highly developed that they not only dominated the internal market, but also foreign trade of South Vietnam..... The Chinese accounted for 84% of the direct importers in South Vietnam at the time, while the Vietnamese shared only 12% and businessmen from other countries covered 3.6%.’ p 75

‘...it was impossible to deny the fact that import had provided a large sum of machines and materials for domestic manufacture and supplied plenty of consumer goods which helped to stabilize the living conditions of the people.’ p 76

‘The bank system of South Vietnam during the 1954-1975 period not only rapidly increased in number, relatively well equipped with modern facilities and performed by a relatively well-trained staff, but also relatively well organized into *3 lines of the central banks, the commercial banks, and the development and investment banks* which closely operated with their proper functions and responsibilities and closely integrated with each other in accordance with laws, particularly those concerning banking and insurance.’ pp 77-78

‘The concentration and formation of capital and the development of a multi-sector commodity economy which replaced the former small and self-reliant economy became the dominant and influencing factor of the above development process.’ p 80

‘Small businesses which consisted of small industries and handicrafts, small traders, middle peasant households and individuals were large in number, but only played a supplementary role as contractors or hired businesses. The feudal economic sectors became smaller and smaller and almost disappeared during the final stage of the Saigon regime.’ p 82

‘Some of those industries such as electricity, water supply and consumer goods production were developed not just for temporary economic and military needs at the time but also continued to play

a significant role in the reconstruction and development of the unified Vietnam later on.’ p 85

‘... productivity of modern industries was normally higher than that of small and handicraft industries from 2 to 4 times.’ p 87

‘The introduction of mechanization, chemicalization, irrigatization and new varieties to South Vietnam’s agriculture not only caused significant impacts on the change of the productive forces and upgraded productivity but also played an important role in the transformation of peasants’ farming habits towards the promotion of the application of new technologies.’ p 89

‘The above-mentioned trained workforce constituted a precious source for the economy of South Vietnam not only during the 1954-1975 period, but also many years later.’ p 91

‘That multi-sector commodity economy was held back and damaged for about ten years the “impatient idea of socialist transformation” (the Vietnamese Communist Party - the 1991 Platform, p 4). Nevertheless, since implementation of the “Doi Moi” policy in 1986, that multi-sector market economy has been quickly recovered and enhanced, thus making significant and active contribution to the cause of renovation.’ p 92

‘Reviewing of the economic relations between the United States and South Vietnam during the period of over 20 years from 1954 to 1975 along with the legacies it left for the economy of South Vietnam, one may realize that there are still a number of factors which would be used for the present development such as the multi-sector commodity economy and some economic and social infrastructures. However, the overall assessment revealed that the destruction was larger than the development, the losses were greater than the gains, the costs were too high compared to the benefits, the growth rates were too low to compensate the stagnancy in development, and finally without development, the economy of South Vietnam had fallen into a desperate poverty.’ p 92

‘.... economic sanctions would surely continue to be used..... although it may be exposed to some amendments, supplements, or reforms in order to be adapted to the new world situation and to

bring about more pragmatic or more effective results for the United States.’ p 95

‘The main objective of the United States in carrying out its embargo and sanctions against other countries is to *alter the activities and policies* of the targeted governments in order to force them to follow the US requirements or demands, including the demand to reshape the basic nature of a society’s regime and to alter important policies concerning their national security.’ p 96

‘The main measures and policies implemented by the United States in its embargo and sanctions include the ban on military products, the ban on economic aid, the embargo on investment and foreign trade, the prevention of international financial and economic institutions such as the World Bank (WB), the Asian Development bank (ADB), the International Monetary Fund (IMF), etc., from provision of loans to the countries under embargo and sanction.’ p 97

‘Sanctions have violated the basic principles of free trade set out by the World Trade Organization (WTO), and that “stimulated challenges that have the potential to jeopardise the future of the World trade Organization” [quoting Haass, R, “Economic Sanctions and American Diplomacy”, Council of Foreign Relations, 1998, p 201] p 99

‘.... targeted countries have been forced to search for possibilities and solutions to deal with their difficulties and hence they have found new opportunities, new solutions and new ways of doing things to guarantee their interests.’ p 99

“In a global economy, unilateral sanctions tend to impose greater costs on American firms than on the target, which usually can find substitute sources of supply and financing.” [quoting Haass, pp 200 and 203] p 100

‘... first seed of the US embargo against Vietnam..... was sown in 1946.’ p 103

‘The overall objective of the United States in their embargo and sanctions against Vietnam is obviously to continue to pursue the

aims that they follow during the period of war (1954-1975), that is, *to exhaust Vietnam economically and isolate from the outside world*, so that by the end Vietnam must follow the conditions imposed by the United States.’ p 106

‘...to develop a market economy based on US standards.’ p 106

‘.....the US Government wants Vietnam to develop a market economy and integrate it into the world economy, that is, to build an open market economy. While on the other hand, it uses it embargo and sanctions as obstacles to contain Vietnam from its renovation process toward an open market economy, particularly since 1986 when Vietnam started its policy of comprehensive renovation implying the building of a multi-sector commodity economy, expanding its economic relations with other countries, promoting its economic alliance with the nations in Southeast Asia and the Asia-Pacific region and the world, participating in the activities of international economic organizations, and laying stress on the important role of the United States.’ p 107

‘US embargo and sanctions have in fact caused Vietnam *a lot of difficulties*, the severity of which has been different depending on the different historical periods, and it has been lessening as time went by.’ p 107

‘One might notice that the US embargo and sanctions during this period [1976-1985] had posed rather drastic effects on Vietnam, turning Vietnam to be more isolated from the world and pulling deeper into the domestic social and economic crisis. During the period of ten years after the War, the social and economic situation in Vietnam had become worse and worse with the triple-digit inflation (700-800% per year) prolonged for many years; the severe shortage of food and consumption goods; the large US aid which had been used to feed the whole consumption society of South Vietnam with over 20 million people was no longer available; industrial and agricultural production and services all went down and were unable to create new jobs; while unemployment became more serious with almost two millions employees of the old Saigon Administration and Army lost their jobs and about 1 million youngsters grew up to enter the labour market but failed to find jobs, not yet to mention of a large number of soldiers demobilized;

in addition, the economic policies characterized by “voluntarism” and restrictions on free trade had become obstacles impeding the development of a multi-sector commodity economy, etc. All these challenges were multiplied by the US embargo and sanctions which prevented Vietnam from approaching the assistances from outside and provoked sabotage from inside, turning the situation from bad to worse. The US embargo during this period was like a sharp knife cutting further and deeper into the wounds of war which were already hard to heal, now become harder to heal.

During the period of 1986-1992, the positive and negative aspects of the US embargo on Vietnam became intermingles. Vietnam still faced a lot of difficulties, but had found the way out, both internally and externally. Domestically, it was the comprehensive renovation of the economic and social life. Externally, it was the appropriate international treatment which helped Vietnam to find new partners and supporters through the policy of making friend with all nations and multilateralization and diversification of international relations. The renovation process along with the policy of developing a multi-sector commodity economy, fighting bureaucracy and corruption and abolishing subsidies had encouraged all social strata, stimulated all economic sectors and promoted the development of industries, agriculture and services.’ pp 108-110

‘It may be true to say that the renovation policy of developing an open and multi-sector commodity economy of Vietnam during this period had helped Vietnam to escape from internal socio-economic crisis and limit the US blockade and isolation of Vietnam in the international arena.

In the period from 1992 to July 1995 when the US President Bill Clinton announced the normalization of diplomatic relations with Vietnam, the social and economic situation in Vietnam and its relations with other countries had been much more improved..... This showed that Vietnam had basically escaped from the blockade and isolation. The US embargo and sanctions had no longer caused widespread adverse effects on different areas of activities as it did previously.’ p 111

‘The loss [to the Vietnamese economy] of \$1 billion was calculated in just one year, would this figure be possibly raised to \$24 billion if

they were calculated for the whole period of 24 years from 1976 to 1999?’ p 113

‘... from 1995 to the middle of 1999 about 400 US companies have invested in Vietnam with a committed amount of around \$1.3 billion.’ p 114

‘To sum up, the US economy would possibly benefit only \$56 million, which is less than half of the total \$118 million to be earned by Vietnam [if they get Most Favoured Nation (MFN) status]. p 119

‘Through the ups and downs of the Vietnam-US relationship, many people in the United States have gradually and increasingly realized that the US embargo and sanctions against Vietnam caused adverse impacts not only on Vietnam, but also on the United States, particularly since the late 1980s to the present time.

“While the thrust of American policy has been to isolate Vietnam, the United States increasingly finds itself isolated over that policy.” quoting Williams M. “Vietnam at the Crossroads”, The Royal Institute of International Affairs, Council on Foreign Relations press, NY, 1992, p 79] p1 21

“..... the World bank provided policy advice on economic reforms.... and restored its lending [sic] program.... Vietnam became widely viewed as a potential new Asian tiger of sustained high economic growth and market opportunity.” [quoting Preeg E, “Feeling Good or Doing Good with Sanctions - Unilateral Economic Sanctions and the US National Interest”, The CSIS (Center for Strategic and International Studies), Washington DC, 1999, p4-2???) p 122

‘Thanks to this [aggressive investment strategies] the US companies have been able to overcome their weakness caused by delay, hence “the overall adverse impact of unilateral sanctions has been less severe for US investment than for exports”. [quoting Preeg, p 4-11]

“The current US Government policy of allowing the IMF, the World Bank, and the Asian Development Bank to extend loans and assistance to Vietnam without permitting American companies to participate in projects generated by such loans and assistance is

simply preposterous. Finally, America must stop punishing itself with its memories of the Vietnam War.” [quoting Robinson, IJ, “End the Embargo”, Vietnam Business Journal, Sept-Oct 1993, p 18] p 125

‘.... the Road map is not yet a gesture of equality because it is an unilateral imposition on a weak country (Vietnam) by a powerful nation (US) in which the stronger forced the weaker to comply to the conditions of the stronger.’ p 126

“..... we will begin to normalize our trade relations with Vietnam, whose economy is now liberalizing and integrating into the economy of the Asia-pacific region..... many of these [trade] programs require certifications regarding human rights and labour rights before they can proceed..... I [t *democratic reform*] will advance the cause of freedom in Vietnam, just as it did in eastern Europe and the former Soviet Union.... engaging the Vietnamese on the broad economic front of economic reform and the broad front of democratic reform.... Today, the Vietnamese are independent, and we believe this step will help to extend the reach of freedom in Vietnam.” [quoting from Clinton B, “Normalizes Diplomatic relations with Vietnam”, White House Fact Sheets, US Department of State Dispatch, July 19, 1995, Vol. 6, No 28, pp 551-551]. p 132

‘At present the United States is the largest importer of Vietnam’s coffee beans, accounting for over 25% of total coffee exported from Vietnam.’ p 141

‘The present world coffee price is more profitable to Vietnamese coffee growers than those in other crops.’ pp 141-142

‘Though at present, agricultural and sea products make up a major proportion of Vietnam’s exports to the United States, but the earnings from all of these reached just a few hundred million US dollars a year.’ p 142

‘.... the United states continuously experienced surplus in its trade relations with Vietnam in five consecutive years, from 1993 to 1997.’ p 142

“Vietnam remains relatively unimportant trading partner for the United States.” [quoting Standley [sic Stanley] Foundation, “Emerging from Conflict - Cuba, Iran, Iraq, North Korea, Vietnam”] p 143

‘... total US direct investments in Vietnam concentrated on Southern provinces, only one third went to the North. This reflected the “familiarity and attraction” as well as “historical relations” of the South of Vietnam with US Companies. Recently, US companies have paid more and more attention to the North, but the level of US investments in the North has not yet exceeded that in the South.’ p 145

‘.... the unstable, complicated, risky and low profitable investment environment in Vietnam.’ p 146

‘The withdrawal of US companies from Vietnam not only assets unfavourable effects on Vietnam in respect of capital mobilization, technology transfer, job creation, import and export promotion, but also creates negative psychological effects on companies of other countries doing business in Vietnam.....

.... the Vietnamese Government has recently amended, supplemented and improved its policies and procedures in order to create favourable investment conditions for foreign companies in general and US companies in particular.... decided to reduce the electric price applied to foreign companies in Vietnam, and allowed foreign companies to purchase up to 30% of enterprises’ shares in several industries such as textiles and garment, footwear manufacture, leather processing, agricultural, forestry and marine products processing and other consumer goods industries, production of building materials, domestic road and water transportation, transportation of goods in container, teaching instruments production, toys production, trading. hotel services, engineering production, and businesses specializing in making the goods of the above listed items.’ pp 147-148

‘As it was commented by Mr Pete Peterson, the US Ambassador to Vietnam: Vietnam’s current renovation process has recorded remarkable achievements and Vietnam continued pledging to reform its economy, integrate into the region and set up a legal

framework for foreign investment, the investment prospect in Vietnam will be brighter and Vietnam will become a major economy in the region in the years to come. 12 June 1999.’ p 148

‘..... [US\$3 millions of US aid] very small compared to the amount that former US presidents promised to contribute to the reconstruction of Vietnam after the war.’ p 152

‘..... as former US Secretary of State Henry Kissinger recalled, “[he, President Johnson] tried to *tempt* Hanoi with an economic-aid programme for all of Indochina” or an “offer of a massive reconstruction programme open to all, including North Vietnam” (Kissinger, H, “Diplomacy”, Simon and Schuster, NY, 1994, pp 662, 669 and 672). The amount of assistance often mentioned at that time was about US\$1 billion. Such “*temptation*” however could not lure nor deviate the Vietnamese people from their struggle for national liberation and independence.

To the 1970s, “As part of the issues discussed in the Paris Agreements, Nixon had secretly promised to provide Hanoi with \$3.25 billion in aid for reconstruction and another \$1.5 billion in commodities.” [quoting Herring G, “America’s Longest War – The United States and Vietnam, 1950-1975”, University of Kentucky, McGraw-Hill Inc., NY, 1996, p 288] pp 153-154

‘Since 1989, along with the positive results achieved by the implementation of the renovation policy shifting Vietnam from a planned toward an open and multi-sector commodity economy, the number of NGOs in Vietnam rapidly increased from 70 in 1988 to 476 in 1998 with a combined budget of US\$70-80 million.’ p 154

‘The amount of money that overseas Vietnamese return to Vietnam through their family ties is about a billion US dollars a year, approximately equal to the State budget allocated for development investment, or equivalent to 15% of the total annual social investment..... Recently, the amount of money sent by overseas Vietnamese to their families have declined due to the “fading-away” of the old relationship between the overseas Vietnamese and their relatives in the country.’ p 156

‘..... the two countries have during the over past ten years had better conditions to get together, particularly since the cold war ended and confrontation was replaced by dialogue and cooperation. The paths of development of the two countries are no longer separated far apart as they once were, instead they now tend narrow the gaps of the past in order to come closer and closer to each other.’ p 169

‘... “genuine economic liberalization is taking place in Vietnam.” [quoting Brown F, “Why the US should Normalize with Vietnam”, Vietnam Business Journal, Nov-Dec 1993, p 11] p 170

‘However, it is admittedly that due to the impacts of the Asian crisis, the growth rates of the Vietnamese economy have also slowed down from 9.5% in 1995 to 9.3% in 1996, 8.2% in 1997, 5.8% in 1998 and less than 5% in 1999.

Another and important and the main reason is that Vietnam has not timely renovated its policies in line with the rapid changes within and out of the country and not yet created a dynamic and highly competitive business environment.... American investors have expressed their views since 1995 on Vietnam’s weak and complicated performance of law, its cumbersome and bureaucratic administrative apparatus, the backward infrastructure, and the frequently changing and unstable policies of the Government which made it difficult for foreign investors to get short-term benefits, leading to a situation that a number of investors left and/or avoided the Vietnamese market due to their lack of adequate capital to invest or time to wait for long procedures.’ pp 170-171

“Include action to reduce the unusually high cost of telecommunications..... Also, critical yet surely more challenging to effect in the short run would be public efforts to improve the transportation and other aspects of physical infrastructure..... and to curb monopolistic and other anti-competitive practices.” [Mason M, “Foreign Investment in Vietnam: Government Policies and Corporate strategies” EXIM Review, The Export-Import Bank of Japan, Vol. 17, No. 2, 1998, p 9] pp 171-172

“Privatise all of the state-owned enterprises.....

Stop all state-owned enterprise monopolies on import and export trading. “Carlson, J, “Vietnam from a Business Perspective”, Paper presented at the US-Vietnam Bilateral Workshop, Washington DC, May 12-14, 1999, p 38] p 173

“Vietnam should carefully examine and notice sources of its neighbours' economic woes, such as government interference, preferential treatment of government-owned enterprises, and lack of transparency.” [O’Dore T, “Business Partners – Working Together for a Shared Celebration”, Vietnam Business Journal, Aug 1998, p 40] p 173

“High control of the State over enterprises, leading to their inefficiency, high losses and heavy debts;....

Bad English language, one of the largest obstacles facing foreigners doing business in Vietnam.” [Robinson IJ, “Foreign Investment in Vietnam, Evaluation and Comment”, Vietnam News Agency, III/1998] p 175

‘Several foreign businessmen and experts pointed out that the reform progress in Vietnam during the recent time has been too slow and needed to be carried out with a faster speed.’ p 175

‘.... a World Bank Report, “the country’s overall growth will depend more on its own policies than on the volume of external financing.”’ p 176

‘Vietnam has basically and essentially not escaped from the status of one of the poorest countries in the world which lags far behind many other countries. To overcome such lagging and to catch up with developed countries, Vietnam has mapped out the strategy for industrialization and modernization which aims to develop the country to be an industrialized one by the year 2020. This is the right strategic direction which would not be reversed at least in a few decades to come.’ p 178

‘.... two strategic thrusts that the United States could and should develop to contribute to the process of modernization and industrialization in Vietnam, that is, electrification and computerization disseminating the electric lamps and computers

throughout the whole of Vietnam as the way they did with the oil lamps during the 20th century.’ pp 178-179

‘The highest support will be provided to a country and make that country a prosperous one when that country becomes an American “alliance” or stays “under the American umbrella”. Failure to meet such highest conditions of the United States, the levels of US assistance to a country will be provided depending upon the extents that the recipient satisfies US requirements and/or interests.’
p 179

‘ [Before the normalization of relationships between Vietnam and the US] Vietnam paid off the US\$145 million debt to the United States.’ p 182

“We have done some *very good work* in moving forward on the economic front, environment, education, medicine and a whole host of other issues that are associated with our relationship.” [quoting Peterson P, “Diplomatic Maneuvres” Vietnam Business Journal, Aug. 1998, p 34] p 183

”... If we (the Americans) have confidence in the universality of our core values, we should let the Vietnamese people conduct their political evolution themselves, and we should abstain from rhetorical “feel-good” flourishes that recall previous failed attempts to dictate the politics of Vietnam.” [quoting Brown F, p 11] p 184

‘Instead, the United States needed to use the human rights issue as an instrument to force Vietnam to change its policies in compliance with US requirements.’ p 185

‘The reduction of tariffs will possibly and significantly contribute to the developments of many Vietnamese industries, particularly the ones that produce products to be exported to the US market..... This Agreement [the Vietnam-US Bilateral Trade Agreement – eventually signed in Dec 2001] is also a factor in favour of opening of the way for Vietnam to join WTO.’ p 187

“Vietnam’s relationship with the United States has evolved from the days when each perceived the other as a regional threat to today when each perceives each other as necessary for regional peace and

stability.” [quoting Sidel M, “The United States and Vietnam: The Road Ahead”, Asia Society, NY, 1996, p 54] p 187

“Vietnam attaches *great importance* to building a better relationship with the United States within its foreign policy aimed at greater multilateralism and diversification.’ [quoting Phan Van Khai (Member of Politburo 9th CC), Vietnam Business Journal, Nov-Dec 1993, p 12] p 188

“..... the relationship between Vietnam and the United States occupies a special importance in the system of Vietnam’s international relations, the United States is the number one strategic partner which has the ability and potential to affect more than any other partner on the quality of Vietnam’s international environment.” [quoting Nguyen Viet Thao, Ky yeu (Ministerial level study – “Cooperation and Struggling in Vietnam and US Relations”, International Relations Institute, Ho Chi Minh National Politics Institute, Hanoi, 1998), p 61] p 188

“Developing a multifaceted, friendly and cooperative relationship with the United States is a priority direction in the current policy of Vietnam, it is “the continuity of the late President Ho Chi Minh’s thought” on the development of a peaceful and friendly relationship with the people and the Government of the United States (Cat and Lan, Ky yeu, p 100) pp 188-189

‘He (Ho Chi Minh) also said, Vietnam “is *prepared to welcome the Americans* not as the present comers as fighters with weapon, but as *new and future comers to help rebuild our country*” [Bao Nhan Dan, 19 May, 1992] p 189

‘Now is the very time that the Americans are coming to Vietnam as the comers “to help rebuild our country”. To realize the teachings of President Ho Chi Minh, it is now the time for us to “spread red carpets and flowers” to welcome them, particularly when they bring electric lamps and computers to replace the oil lamps which they brought and disseminated all over Vietnam in the 20th century.’ p 189

‘..... and also build Vietnam to be a dynamic market with high competitiveness and high profits for American and non-American as well as Vietnamese and foreign businessmen.’ p 190