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***** Photo Release *****

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**BAUCUS TOUTS U.S. PARTNERSHIP WITH VIETNAM, URGES
PROGRESS ON BEEF, INTELLECTUAL PROPERTY
IN ADDRESS AT DIPLOMATIC ACADEMY OF VIETNAM**

*Finance Chairman recalls first visit to Vietnam more than 40 years ago,
sees opportunities for Vietnamese leadership in region, chance to "build the future together"*

Hanoi, Vietnam – In a speech at the Diplomatic Academy of Vietnam in Hanoi today, Senate Finance Committee Chairman Max Baucus (D-Mont.) praised the growth of the U.S.-Vietnam relationship, and outlined the best next steps to continue our countries' positive engagement – such as the full opening of Vietnam's market to American beef, and the resolution of intellectual property rights concerns. Baucus is visiting Vietnam this week to meet with government, business, and civil society leaders as well as students. In today's speech, Baucus said that the U.S. and Vietnam must work to "build the future together," by meeting current trade obligations and seeking new opportunities for cooperation and development.

"The strides that the U.S. and Vietnam have made in economic and cultural relations in the last 15 years are really just the beginning of what we can achieve together," said Baucus. **"Vietnam is a valuable Asian partner for the United States. That is why I'm so pleased by the implementation of our bilateral trade agreement and by Vietnam's accession to the WTO, and why I'm so eager for roadblocks like the ban on U.S. beef and intellectual property rights concerns to be resolved. Meeting the obligations of this great friendship will open a world of additional opportunities for all our citizens."**

The full text of Baucus's speech follows below.

Attached please find photographs from Senator Baucus's speech today. Photos should be credited to Senate Finance Committee/Carol Guthrie.

**Speech by Senator Max Baucus
Diplomatic Academy of Vietnam
Hanoi, Vietnam
December 17, 2008**

Xin chao (hello)! I am honored to be here at the Diplomatic Academy of Vietnam. Thank you Dr. Quang for inviting me here today. What an impressive place! And what impressive students you are! Xin cam on (thank you).

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There are many people to thank for bringing me here. Most important is Vietnam's Ambassador to the United States, Ambassador Le Cong Phung. He is doing so much to bring our two countries together as friends and partners.

I also must thank one of America's finest diplomats, Ambassador Mike Michalak. He is doing great work in Vietnam, especially in the area of education.

My return to Vietnam has been long time in coming. And it is long overdue. I first came to this country 45 years ago, in 1963. At that time, I was a student, like you. I was traveling around the world on a student's budget. I stopped, for just one day, in what was then Saigon.

I don't remember too much about that visit. But one memory has lingered. I was walking in the center of the city and saw a mother walking with a very young child. The little boy — he must have been about 4 years old at the time — was dressed up in what appeared to be a traditional outfit of red silk. And he wore a small red hat with a long black tassel.

What was remarkable was not his outfit, even though I had never seen a child dressed like that before. Instead, what struck me was that the boy, under hot sun, was eating an ice-cream cone. And the ice-cream was dripping off of the cone onto the little boy's red silk. But neither the boy, nor his mother, seemed to notice or care.

I thought about the red-silk-clad boy with the ice-cream cone many times after I left Saigon that day. As news about Vietnam, war, and death began to horrify and capture the attention of the world, I often wondered what happened to him.

Where was the little boy with the ice-cream cone in January 1968 when the fighting of the Tet Offensive came to Saigon?

Where was he in April 1975 when tanks crashed the gates of the former presidential palace and helicopters buzzed from the top of the old American Embassy?

Where was that little boy in the mid-1980s when Vietnam's rice bowl could no longer feed its people?

Where was that boy in 1995, when the United States and a united Vietnam first exchanged Ambassadors?

Where was he just two years ago when Congress passed my legislation to grant Vietnam Permanent Normal Trade Relations?

And where is that little boy today, 45 years after I first saw him in Saigon?

I would like to think that that boy, who is probably 50 years old, is still alive.

I would like to think that he, unlike 1 million of his countrymen, survived the upheavals of the Vietnam War.

I would like to think that the boy with the ice-cream cone is married, has children of his own, and maybe even a grandchild.

I would like to think that one of you, sitting in this room today, is one of his children.

In a sense, you are all his children. You are the products of his generation's suffering and sacrifices. You are beneficiaries of their hard work. And you embody their hopes and dreams.

And now it is your turn to shape the lives of the next generation. Your plans and dreams will be tomorrow's reality. You are the architects of the future.

It is because of the future that I am here today, some 45 years after my first visit.

It is because of the future that you are here today, to help chart Vietnam's course for the next 45 years.

And it is because of the future that the United States and Vietnam must work together to leave our countries and our planet in better condition for the little ice-cream eating boys and girls of tomorrow's generation.

Building the future together requires hard work on the reinforcing pillars of education and prosperity. We can begin our work on the first pillar here in our classrooms. The more that the United States and Vietnam cooperate on educational initiatives, the more that we will move our peoples and our countries together toward a shared future.

That is because education is about more than books and degrees. It is about mutual understanding. Our two countries lacked such understanding for decades. During that period, our contacts froze. Our children did not know each other. And our relationship died.

To build a future together, we must understand and respect each other. To understand and respect each other, we must know each other. And to know each other, we must educate each other.

That is why our schools and universities must work together to facilitate education and contacts between U.S. and Vietnamese students. And that is why I invited Ambassador Phung to visit my home state of Montana last summer. I took Ambassador Phung – and his wife Madam Nhan to the city of Missoula, the home to the University of Montana.

There, Ambassador Phung, the President of the University of Montana, and I signed an educational cooperation agreement. Under that agreement, Vietnamese students like you can come to Montana to study English and learn about the United States. Likewise, students from the University of Montana can come here to Vietnam to learn your language, your history, and your values. I am committed to making this program a huge success. It can be a symbol of the friendship between the United States and Vietnam and the future that we will build together.

Our work on education must stand side-by-side with the second pillar on which our future rests — creating lasting opportunities for jobs, economic growth, and prosperity. The path to economic security and social stability requires both an educated youth and hope for a job. That is why the United States and Vietnam must redouble our efforts to fuel economic growth, not just for ourselves and our children, but for generations to come.

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Trade helps build that prosperity. Fifteen years ago, our two countries did not trade. But step by step, we developed a remarkably robust trade relationship. We went from lifting the embargo in 1994, to concluding our Bilateral Trade Agreement in 2000, to granting Vietnam Permanent Normal Trade Relations in 2006. The resulting trade relationship has helped charge Vietnam's economic growth. And, in turn, that trade relationship has created opportunities for a better life.

Today, Vietnam is America's fastest growing trading partner in the region. And the United States is Vietnam's largest export market.

But that is not the end of the story. We have more work to do together to create lasting prosperity and sustainable growth.

First, we must fully realize the promise of what we already have in place. That means working together to implement our current bilateral and multilateral trade pacts. Vietnam has already taken significant steps in this direction and deserves great credit for the job that it has done so far. In such a short time, you have passed and implemented sweeping changes to your economy to lower tariffs, attract foreign investment, and liberalize your service market.

But implementation is not yet complete. Most important, Vietnam continues to maintain unscientific restrictions on U.S. beef. Vietnam, unlike China and others in the region, has already made significant progress by allowing imports of beef from cattle under 30 months. International rules, however, support the safety of all U.S. beef, regardless of the age of the cattle.

I know that Vietnam is working hard to take the next step. And I hope to see results very soon. I discussed this issue with Trade Minister Hoang this morning and will urge Prime Minister Dung to lift Vietnam's beef restrictions when I meet with him today.

Second, we must look beyond our current trade agreements to see how else we can use trade to fuel economic growth and development. One such initiative is the Generalized System of Preferences. GSP provides trade preferences to developing countries.

132 countries currently benefit from this program. Vietnam does not. It should. I strongly support Vietnam's bid to obtain GSP.

To benefit from GSP, however, Vietnam must meet certain conditions. Notable among these is respect for internationally recognized worker rights.

Vietnam has made progress. It has worked hard to implement many core international labor standards and must be commended for doing so.

But there is more that Vietnam can do. In particular, Vietnam will need to take steps to ensure that its labor laws meet international standards regarding the right of association and the right to organize and bargain collectively. The faster that Vietnam moves in this area, the faster that the U.S. President will be able to grant GSP to Vietnam.

GSP should not be goal in and of itself. GSP is something for today, when Vietnam is a developing economy. But we need to think about tomorrow, when Vietnam will be a developed economy.

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That is why our third task should look far into the future. We must put in place the conditions today that will underpin our shared economic growth tomorrow.

Creating future prosperity will require more progress on protecting and enforcing intellectual property rights. Intellectual property and ideas drive innovation. And innovation fuels economic growth and prosperity.

You and I know that the creative ideas of a fashion designer in Hanoi are no less valuable than those in Paris. We know the ingenious software or computer designs in Ho Chi Minh City are no less worthy than those in Silicon Valley.

But the difference between these ideas is how they are developed. A novel idea that you develop in Vietnam remains only a good idea until you protect it, grow it, and give it life in a market that respects its value. For an idea to become a commercial reality, it must attract the capital and support to develop it.

But if an idea can be freely stolen and copied, it will not get that support. Unfortunately today, theft of ideas and intellectual property in Vietnam is too common. Vietnam's piracy rate for sound recordings is about 95 percent. That is close to a total breakdown of intellectual property for sound recordings. Counterfeiting of other goods is also rampant. That is way too high to sustain a future economy based on innovation.

There are important steps that Vietnam could take to improve. Greater enforcement will help. So will providing criminal penalties for willful violations of copyright and counterfeiting.

Until Vietnam makes these changes, it will never see the full potential of its ideas. With undeveloped intellectual property, Vietnam will limit the vast array of future opportunities open to its creators of ideas. And until Vietnam makes these changes, Vietnam will hold back its own economic progress and its own march toward developed country status.

Creating our future also requires us to tap into the vast potential of Asia-Pacific region that both Vietnam and the United States inhabit. That is why the ongoing effort to create a Trans Pacific Partnership Agreement is so important. It looks to the future. It looks to a time when the United States and its Asia-Pacific partners promote trade and shared values in the most vibrant region in the world. And it looks to leadership by your great country in an effort to develop a regional trade consensus to drive us into the 21st century.

That is the future towards which the United States and Vietnam should together strive.

It is a future that honors those who have sacrificed and worked so hard to give us what we have today.

It is a future worthy of their hopes and dreams.

It is a future that we can create by never forgetting all that came before the eyes of that little boy I saw in 1963.

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And it is a future that we can realize by never letting go of the dreams and aspirations that I see here in your eyes, 45 years later.

When I walk through Hanoi's Old Quarter this afternoon, I will stop into a store that sells kem — your word for ice cream. I will see if I can find my little friend in his silk, red outfit. And I will tell him something that I did not think was possible when I was your age as student in Saigon in 1963. I will tell him that the United States and a united Vietnam are friends, at peace, and have a promising future together.

And then I will order him and me two scoops of kem to share.

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