

Deputy Vice Foreign Minister Le Mai told me that the largest mistake Vietnam ever made was implementing a command economy. He said the laws of capitalism "just are," which I took to mean that they are the natural order of things. He said the private sector is recognized in the 1992 Constitution as equally important to the State and Collective sectors. He acknowledged that private ownership of land has not yet been recognized and that this creates an incentive problem, especially in agriculture. Mai said that Vietnam was moving slowly in this sector to avoid the chaos it believes came to Eastern Europe after private ownership of land was allowed.

While Vietnamese officials repeatedly stressed their desire for increased foreign investment to stimulate further economic development, several barriers exist for foreign companies trying to operate in Vietnam today. I benefited immensely from a lengthy meeting with American business representatives struggling to do business in Hanoi today. One of the problems they cited is the requirement for a license for every aspect of a company's operation. Licenses are narrowly drawn, limiting a company's activities. Such a system naturally lends itself to corruption. Many companies make use of middlemen to deal with these headaches and such services add appreciably to costs.

Another problem arises from the lack of private ownership of property. Without private ownership of real estate, businesses cannot mortgage their property to raise capital for further investment. Foreign investors also lack direct access to a distribution system and are forbidden from holding inventory.

The heart of the problem for foreign investment, however, is the lack of a rule of law. No one can count on the government to honor a contract and there is no recourse to objective arbitration. Again, this leads to corruption "from top to bottom" because officials may demand a bribe to live up to what they have already promised. One U.S. businessman referred to contracts as "water soluble glue." Unless or until government officials take significant steps toward creating a sound and transparent legal system, foreign investment will be hampered.

D. Relations with the U.S. -

This visit was only my second to Vietnam and my first to Hanoi. My first trip was with Senator Mansfield in 1962 during the early stages of the war. What surprised me above all else was the friendliness of the people and their willingness, even eagerness to deal with Americans, even though it was only some 20 years ago that American bombs were raining down on their country. Other Americans I met there also noted their sense that the Vietnamese were eager for closer relations with the U.S., in spite of our two countries' recent history.

Vietnamese officials welcomed President Clinton's announcement, the week before I arrived, of his nomination of Congressman Douglas B. "Pete" Peterson to be Ambassador to Vietnam. They agreed that having a former prisoner of war as Ambassador symbolized the willingness of both countries to put the war behind them. They seemed to understand that the dynamics of U.S. electoral politics could delay his confirmation and actual posting to Hanoi.

All officials in Hanoi, both Vietnamese and U.S., went to great lengths to assure me that cooperation on the most contentious bilateral issue—POW/MIAs—was strong and productive. At a lunch at the Charge's residence, U.S. embassy officials were unanimous in their assessment of Vietnamese cooperation: it could not be better. The U.S. military official in charge of the issue in

Hanoi described how his team was able to investigate every lead they received, to go where ever they wanted and to view all documents they requested. He emphasized that there were no roadblocks from the Vietnamese. I am convinced that the government of Vietnam is being fully cooperative with the U.S. on the POW/MIA issue and that, while this cooperation must continue, the issue should not in any way hamper further development of the bilateral relationship.

Le Mai raised an interesting point with us. He said that his government had tried to cooperate whenever and wherever it could, but that he and his colleagues often felt U.S. demands were unrealistic. He pointed out that only weeks before we arrived a U.S. commercial aircraft had crashed in the Everglades in Florida. Despite knowing exactly when and where the plane went down, and using the best equipment and best trained people to recover the remains of passengers, the U.S. had yet to recover a single identifiable remain. Yet if the Vietnamese government cannot produce finding of a crash that may have occurred 25 years ago, in a broadly-identified area, then critics in the U.S. will accuse them of stonewalling.

In discussing regional security issues, officials emphasized their desire for peace and stability to foster an environment conducive to economic growth for all. Deputy Foreign Minister Le Mai emphasized the need to have a "balance" between the various powers in the region, such as the U.S. and China, and U.S. and Japan, or Japan and China. While Mai did not name China as a threat regional stability, in the context of a discussion of recent Chinese military aggression in the Spratly Islands and the Taiwan Strait, he suggested that if "any one country" tried to increase its power, Vietnam would be open to an increasing U.S. presence to preserve the balance.

Government officials went to great lengths to stress the importance of continuing the normalization of relations between the U.S. and Vietnam. They also emphasized the "great potential" of improved economic ties. Specifically, Hanoi would like Washington to grant most-favored-nation (MFN) tariff treatment, Export-Import Bank financing, and Overseas Private Investment Corporation (OPIC) guarantees.

Perhaps the strongest argument for increased economic ties between the two countries came from U.S. business people living in Hanoi. They argued that through negotiating the trade agreement necessary to grant MFN and OPIC, Hanoi would be forced to address some of the more difficult problems facing U.S. investors, as described above. They further emphasized that by providing these trade preferences, the U.S. government would be helping U.S. businesses, not just the Vietnamese. Likewise, by denying them, the government hurts U.S. businesses and encourages the Vietnamese to shop elsewhere.

With both logic and passion, this business group argued that, despite the many structural problems they face daily in Vietnam and despite the fact that it is harder to do business there than in Russia or Mongolia, it was in both their personal interests and in our national interests to say, over the next 20 years, Southeast Asia will be one of the fastest—and perhaps the fastest—growing regions in the world. Vietnam's geographic position makes it a natural hub for all types of trade and transportation. The question is not if Vietnam becomes another dynamic Asian market but when it does, will the U.S. be there? If our companies do not gain a presence there now, we risk losing market access later, possibly permanently. This is a problem the U.S. faces all over Asia where our experience and involvement is generally lacking.

This business group believes that Vietnamese leaders understand the problems in their legal system and are willing and able to correct them, albeit slowly. Vietnam's membership into ASEAN will help to guarantee the further development of a stable market attractive to even more foreign investment. American products, from consumer goods to elevators to computers, are popular in Vietnam. U.S. businesses have a tremendous advantage because the Vietnamese respect the quality of our products and would choose our companies if the financing were equal.

Finally, this group said that their working relationship with the U.S. Embassy in Hanoi could not have been better. In a centrally-planned economy, government-to-government relations are the only legitimate ones; these companies could not function without the Embassy. Even under these circumstances, they stressed that their relationship with the Embassy was better than in any other country they had worked. I, too, was very impressed with the Embassy staff, especially with Desaix Anderson, our Charge d'affaires there.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, September 25, the Federal debt stood at \$5,198,780,826,934.47.

One year ago, September 25, 1995, the Federal debt stood at \$4,949,969,000,000.

Five years ago, September 25, 1991, the Federal debt stood at \$3,630,755,000,000.

Ten years ago, September 25, 1986, the Federal debt stood at \$2,109,249,000,000.

Fifteen years ago, September 25, 1981, the Federal debt stood at \$979,210,000,000. This reflects an increase of more than \$4 trillion (\$4,319,570,826,934.47) during the 15 years from 1981 to 1996.

MESSAGES FROM THE HOUSE

At 9:51 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1834. An act to reauthorize the Indian Environmental General Assistance Program Act of 1992, and for other purposes.

The message announced that the House has passed the following bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 868. An act to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes.

S. 919. An act to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1499. An act to improve the criminal law relating to fraud against consumers.

H.R. 3155. An act to amend the Wild and Scenic Rivers Act by designating the Wekiva River, Seminole Creek, and Rock Springs Run in the State of Florida for study and potential addition to the National Wild and Scenic Rivers System.