

# **Overcoming the Shadow of War: Vietnam-U.S. Normalization of Relations, 1975-2006**



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# Chapter outline



- **Chapter 1:** War Reparations ,1975-1978
- **Chapter 2:** The POW/MIA issue and the Trade Embargo, 1975-1995
- **Chapter 3:** The Cambodian Conflict, 1978-1989
- **Chapter 4:** Vietnamese Americans' Views on Normalization, 1990-2006
- **Chapter 5:** Vietnam-U.S. Economic Interests, 1986-2006

# Working Hypotheses



- **The Vietnamese moral leverage on the U.S. to normalize relations was weak in comparison to the powerful and persistent American economic and political leverage on Vietnam.**
- **From the 1990s, the Vietnam and U.S. adopted more pragmatic policies toward each other, which made diplomatic and economic normalization possible.**

# 1. The Moral Leverage: War Reparations, 1975-1978



- The Vietnamese used the Nixon letter to require \$3.25 billion of U.S. aid to Vietnam before the establishment of diplomatic ties
- The Ford Administration turned down the aid request and insisted on POW/MIA accounting before normalization
- The trade embargo was extended to the SRV and its application for membership in the UN was vetoed by the U.S.



- Vietnam, as the victor in the war, did not have any political and economic leverage to influence the behavior of the U.S.
- Their belief in the Nixon letter and anti-war Americans' support for reconstruction aid to a devastated Vietnam formed **a weak moral leverage** in bargaining with the U.S.



- **September, 1978: The Vietnamese dropped the aid factor and agreed to normalize relations, only to find the U.S. suspended their plan and normalized relations with China**



## 2. The POW/MIA issue and the Trade Embargo, 1975-1995



- The House Select Committee on POW/MIA in Southeast Asia, 1975-1976 concluded that:

“No Americans are still being held as prisoners in Indochina, or elsewhere, as a result of the war in Indochina. . . Because of the nature and circumstances in which many Americans were lost in combat in Indochina, a total accounting by the Indochinese Governments is not possible and should not be expected.”

# In the U.S. Context

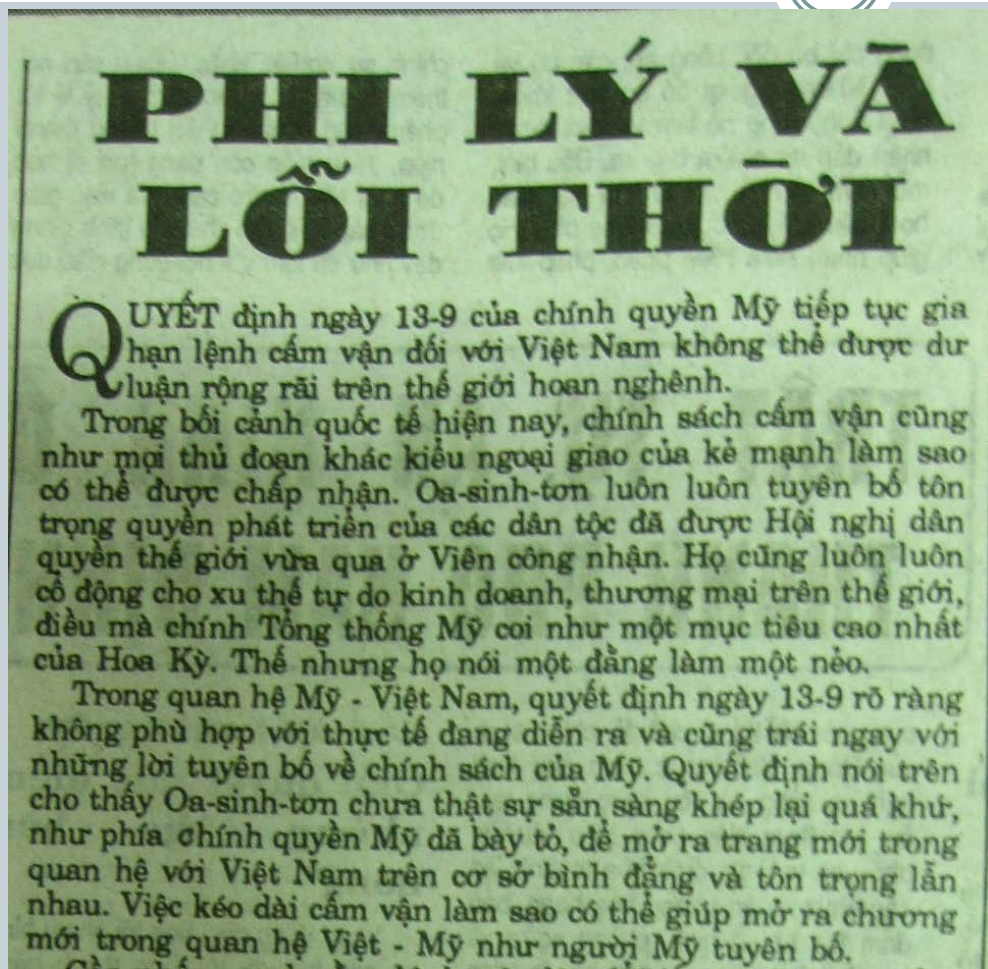


- The renewed interest of the Reagan administration, the success of Rambo movies, and the strong media coverage of the issue made POW/MIA an emotionally charged issue in domestic politics
- POW/MIA accounting triggered heated debate between proponents and opponents of conciliatory gestures toward Vietnam





# In the Vietnamese context



- The Vietnamese labeled the U.S. decision to maintain the embargo “absurd and outdated”

**Nhan Dan Newspaper,**  
17 September, 1993



- “It should be emphasized that the reason behind maintaining the embargo is simply absurd...This is absurd because, since 1987, Vietnam and the U.S. agreed to consider the POW/MIA a humanitarian, not political issue. In a mid-July international press conference in Hanoi, Assistant Secretary of State Winston Lord said: “The U.S. has great concerns about the POW/MIA issue, but does not regard it as the primary condition for normalization of relations.” Why does the U.S. act to the contrary? It is the U.S. who should be more cooperative [ , not us].”
- The trade embargo became a **powerful economic leverage** on Vietnam

### 3. The Political Leverage: The Cambodian Conflict, 1978-1989



- In December 1978, Vietnamese forces entered Cambodia to topple the murderous Pol Pot regime. Internationally, the Cambodian conflict became a proxy-war between Soviet-backed Vietnamese forces and China-backed Cambodian forces
- The U.S. wanted to contain the Vietnamese communists' influence in Cambodia, and therefore put the Cambodian conflict at the core of the Vietnam-U.S. normalization .

# The Cambodian Peace Process



- The Cambodian peace process became an **undue political leverage** on Vietnam.

“Cambodians will resolutely not accept themselves being used as a card in the negotiations on the relations between other countries.”

*(The Washington Post, May 31, 1991, pg. A12.)*



# 4. The Vietnamese Americans' views on normalization

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September 25, 1990

President George Bush  
The White House  
Washington

Dear Mr President,

On behalf of the Vietnamese Community of Southern California, I would like to congratulate you on your decision to extend the economic embargo against the Communist regime of Vietnam. Your decision demonstrated the tough policy that the United States maintains against governments such as Vietnam and Iraq, which violate human rights and disregard international laws.

Source: Vietnam Center and Archive,  
Texas Tech University

## 4. The Vietnamese Americans' views on normalization

- “Vietnamese Americans continued to support the Republican Party and conservative political causes. They also actively followed events in Vietnam. Most stridently opposed the policies of the government of the SRV, and some actively sought to overthrow it”  
(Schulzinger, *A Time for Peace*, 2006 )



## 4. The Vietnamese Americans' views on normalization

- “Vietnamese Americans are in a unique position of being able to support Vietnam economically while contesting it politically. Many see no contradiction in doing so.”

(Furuya & Collect, *The Transnational Politics of Asian Americans*, 2009)



- **Vietnamese Americans had ambivalent views on Vietnam-U.S. relations**
- **Their socio-economic and political success enabled them to exert increasing leverage on country-to-country relations.**



## 5. Practicing Pragmatism: Vietnam-U.S. economic interests



- The Vietnamese policy of Doi Moi (renovation) in 1986 adopted a pragmatic policy of opening the Vietnamese market to non-communist trading partners in Asia and Europe
- February 3, 1994: Amid contradicting reactions, Clinton's decided to remove the trade embargo on Vietnam, a move to illustrate his administration's policy of economic pragmatism



- “Many other countries around the world are getting ahead of us in their commercial endeavors in Vietnam and I hope that we can enable our businesses and industries to catch up by moving more rapidly down the road”

*Warren Christopher, Secretary of State, 1993*

- “If you ask the Vietnamese what should be the priority – democracy, human rights or the economy – the answer from the Vietnamese would be: it’s the economy, stupid.”

*Pham Chi Lan, Secretary-General of the Vietnamese Chamber of Commerce and Industry, 1994*



- December 10, 2001: U.S - Vietnam Bilateral Trade Agreement signed into force
- June 13, 2006: U.S. extension of Permanent Normal Trade Relations (PNTR) status to Vietnam

# U.S. Trade Balance with Vietnam

Year	Exports to VN	Imports from VN	Balance
1995	252.3	199.0	53.3
1996	616.6	331.8	284.8
1997	286.7	388.4	-101.7
1998	273.9	554.1	-280.2
1999	291.5	608.4	-316.9
2000	367.5	821.3	-453.8
2001	460.4	1,053.2	-592.8
2002	580.0	2,394.8	-1,814.8
2003	1,323.8	4,554.8	-3,231.1
2004	1,105.5	5,275.3	-4,169.8
2005	1,193.2	6,631.2	-5,438.0
2006	1,100.3	8,566.7	-7,466.4
2007	1,903.1	10,632.8	-8,729.8

*NOTE: All figures are in millions of U.S. dollars*

Source:  
U.S.  
Census  
Bureau



**Thank you for your attention!**