

**Prepared, not delivered**

**Opening Statement  
Chairman Michael G. Oxley  
Financial Services Committee**

**H.R. 5337, Reform of National Security Reviews of Foreign Direct  
Investments Act  
May 17, 2006**

Thank you, Madam Chairman.

I'd like to compliment you for your leadership on this issue – this is the third hearing your subcommittee has had on the matter, and the careful, measured approach you have taken has allowed all Members to become well-familiar with the CFIUS process before any legislating is done.

We are at this point because of the firestorm that surrounded the Dubai Ports World transaction after the CFIUS decision on that deal became public. I did not then and particularly do not think now that the Committee on Foreign Investment in the United States made the wrong decision on that purchase. I also do not think there is anything particularly wrong with the CFIUS process that a good dose of common sense wouldn't cure. One of the major problems is communication with Congress and communication with the public.

With all of that said, I want to compliment you and Majority Whip Blunt and Mrs. Maloney and Mr. Crowley, and all of your co-sponsors, for what is a very good bill. It addresses those problems that some think CFIUS has, without creating any new problems – unlike some of the proposals in the Senate.

It seems to me that if we must have CFIUS reform legislation, what we need is something that increases accountability and improves the ability of Congress to perform necessary oversight on the CFIUS process in general. The new bill does that without creating any real new hurdles for investment in the US by foreign companies, and thus also without creating problems for US companies investing overseas.

I recently returned from a trip to Viet Nam and India with the Speaker and I have to say that I was absolutely surprised at what I saw, especially in Viet Nam.

Here is a country that was rife with civil war, where we lost 50,000 brave Americans. Given those very difficult times what has happened in the past thirty years since the war ended is remarkable.

We had a meeting with the Prime Minister of Viet Nam, and at that meeting he said that his country had experimented with Eastern European style economics and it was an abject failure – a top-down government driven model that simply did not work.

Yet the Prime Minister, a Communist, describing how market forces now dominate the Vietnamese economy. They are growing at 12 percent with low inflation, and they have really turned things around economically.

His message to us was that they want to be part of the WTO, that they want to play by the rules and enjoy the benefits of the global economy.

It's exciting, particularly when you think that just 30 years ago we were killing each other. Just think, today a nominally communist government in Viet Nam wants the United States to grant them permanent normal trade relations and ultimately join the WTO is a reality!

Madam Chairman, the free flow of capital is important to defend if we are to succeed in spreading American democracy throughout the world. And foreign investment in the US creates millions of good, high-paying, stable jobs, many of them in the manufacturing sector. We must protect our national security, but that security includes economic security so that we have the resources to provide adequately for our internal and external defenses. We must not drive off those who want to make the wise investment in the great economy of the United States. With that I yield back the balance of my time.