

SPEECH OF AMBASSADOR MONDALE TO THE  
OVERSEAS ECONOMIC COOPERATION ASSOCIATION

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*(As Prepared for Delivery)*

Thank you, Mr. Sugiyama, for that kind introduction. I also want to thank Mr. Sakurauchi, Mr. Yanagisawa, and other members of the Diet for joining us today. I know that you all have busy schedules and I very much appreciate your being here so early in the day.

I have been asked to speak on U.S.-Japan cooperation. At a time when many people, on both sides of the Pacific, are anxious about the significance of our trade dispute, I welcome this occasion to address our broad cooperative partnership. I know that talk about this remarkable partnership -- the "good news" -- has less media appeal than does talk of discord between our two countries. But I am convinced that, just as we would be wrong to ignore our economic differences, so also would we be wrong to ignore our exceptional cooperative ties.

Since the end of the cold war, cooperation between the U.S. and Japan, if anything, has intensified. Our cooperation in meeting global challenges is greater than ever before. Our bilateral security alliance remains at the heart of U.S. policy toward Asia. Our coordinated response, along with South Korea, to the North Korean nuclear threat is unprecedented. And on regional and global economic issues, we are working together to achieve our common objectives through a host of economic fora including APEC and the G-7.

GLOBAL DEVELOPMENT ASSISTANCE

Nothing better illustrates the cooperative aspects of our relationship than does our joint contribution to global development.

The U.S. and Japan are the two largest donor nations in the world, accounting for about 40% of all official development assistance. But even more importantly, our two nations are united in the principles that guide our aid programs. Both America and Japan give priority attention to global problems like poverty, AIDS, and the environment. We both support aid programs that foster economic growth and sustainable development. We both support democracy and the respect for human rights. And we both support the integration of developing nations into the global economy.

More and more, the U.S. and Japan are finding that by pooling our efforts, we can be more effective in responding to global problems. When President Clinton met with Prime Minister Miyazawa in July of 1993, our two leaders agreed, for the first time, to move forward on a "Common Agenda" to tackle, together, many of the world's most pressing long-term global concerns.

Since then, the U.S. and Japan have successfully cooperated on more than 50 projects under the Common Agenda, large and small, all over the world.

Let me give you a few examples:

-- Billions of humans live in poverty and pain because of uncontrolled population growth and the scourge of HIV/AIDS. Last year, the leaders of our two countries announced a \$12 billion dollar, seven-year, joint U.S.- Japan initiative to address these dual global problems.

-- Nothing is more tragic than seeing a child crippled for life from a preventable disease. The U.S. and Japan are cooperating to eradicate polio from the Western Pacific region before the year 2000, and we will soon expand this program to other parts of the world.

-- World growth and progress is limited when girls and women are denied the opportunity to fully participate in and enjoy the benefits of development. Through the Common Agenda, the U.S. and Japan are cooperating to support girls' education and Women in Development.

-- On the environment, we are engaged in a range of joint initiatives. We are funding a \$60 million dollar project to protect the rich biodiversity of Indonesia. We are developing nature parks in the endangered environments of five Latin American and Caribbean countries. And we are protecting another fragile environment that we are just learning the importance of -- the world's coral reefs.

In addition to all of these examples, the U.S. and Japan are working together on forest preservation; on global environmental change; on the oceans; on a global information infrastructure; on civil industrial technology; on transportation technology; on developing energy-efficient technologies; and on disaster prevention.

For many years, Japan's loan program to developing countries has been the largest among donor countries. Japan has contributed significantly to the development of many countries, especially in the Asia-Pacific region, through funding a great number of infrastructure projects -- building highways, bridges, airports, sea ports, factories, schools and health clinics.

At the same time, there has been concern that Japan's aid program disproportionately benefits Japanese companies and their subsidiaries. The nature of this arrangement seems unfair as it encourages price-fixing and "dango" arrangements that result in higher costs to the recipient governments.

I am aware that much of Japan's aid is not tied and, in fact, overall, Japan's program has been rated by the OECD as the most untied program of all major donors. But we need more openness and

transparency in the process. If yen loan procurements indeed are fully untied, then it is to your advantage to share with the world the data that demonstrates this to be the case.

I was pleased to learn that Japan recently took a step in this direction by joining with the other countries of the Development Assistance Committee of the OECD in accepting a new untied aid notification system. I hope that the government of Japan will continue moving toward a more open and transparent ODA procurement process.

Today, in addition to funding infrastructure projects, the Government of Japan is at the forefront in responding to the new global challenges that demand attention -- from the scourge of AIDS, to protecting the environment, to fighting narcotics traffic. Japan is acquiring a new, powerful image as a world leader in concern for global issues and in the support of human-centered, sustainable, development assistance.

In the first year of the Common Agenda, Japan, in cooperation with the United States, has demonstrated her real commitment to this global agenda. The government of Japan exceeded its own expenditure targets for the Global Issues Initiative, offering nearly 460 million dollars in aid and supporting over 170 grassroots aid organizations.

The prospect for even greater U.S. - Japan cooperation on development assistance in the coming years is bright. At last week's Common Agenda working group meetings in Washington, we both agreed to begin planning additional joint projects in Africa, South Asia, and Latin America.

Our cooperation in meeting global challenges is not limited to our successes under the Common Agenda. Together, we are supporting initiatives that will create jobs and develop industry in critical transition countries like South Africa and the nations of

Eastern Europe. Our joint work in encouraging policy reforms in the Philippines through the Multilateral Assistance Initiative is well known. We have also worked to support the peace process in Cambodia, and to assist the transition to democratic market economies in Mongolia, Eastern Europe and the Central Asian Republics.

I was pleased to learn that earlier this month, your government created a new fund that will allow Japan to respond quickly to requests for election support and assistance. Through this fund, Japan will be providing half a million dollars to support next month's local and parliamentary elections in Haiti. Assistance to Haiti was discussed by our leaders at last January's Summit. We deeply appreciate your government's generous assistance to Haiti which will allow our two nations to work together in support of free and fair elections in Haiti.

Up to now, I have been talking about the extensive U.S.-Japan cooperation, at the government to government level, in providing development assistance to the world. But this is only half the story. Increasingly, governments are looking to non-governmental organizations, or NGOs, to help us meet global challenges. The role of the private sector in responding to global concerns is growing and I believe that governments must encourage this trend.

I do not need to go into great detail here to convince you of the great good that private citizens, when well-organized, can do. All of us who saw the heroic generosity of private individuals following the Great Hanshin earthquake know that private citizens and non-governmental organizations are a tremendous resource for governments to tap into. By encouraging volunteerism through community action, NGOs play a unique and positive role in civic society.

In terms of global development assistance, the role of international NGOs is growing rapidly and we will all benefit to the

extent that we work with them and lend them our support. At the recently held UN World Summit for Social Development in Copenhagen, Vice President Gore announced America's intention to expand the coordination between my government and NGOs. Under the "New Partnership Initiative," my government will channel forty percent of U.S. development assistance through NGOs, both U.S. and foreign.

The benefits of encouraging a strong and vibrant NGO community are many. By channeling assistance funds through NGOs, we empower small businesses in the recipient countries; we give people, at the grassroots, a voice in the assistance projects being funded; we help bolster democracy at the local level; and we let the private sector assume responsibility where it has the know-how and the will.

Japan is also moving in the direction of greater reliance on NGOs in her aid programs. I understand that Japan's budget for NGO activities has recently doubled and that within the last year both the foreign ministry and JICA have established NGO liaison offices.

At the same time, much remains to be done to improve the environment for NGOs working in Japan. NGOs here too often find that they are ineligible for the legal status or tax treatment that they depend upon to do their work and to grow. We support efforts to deregulate this field.

The end of the Cold War has not lessened the need for development assistance and cooperation among donors. With donor resources stagnant in most of the world, Japan's growing aid can serve as a magnet to revitalize interest in and support to this vital area.

The leadership of the U.S. and Japan in grappling with today's global challenges is a success story that cries for more attention. Our deepening coordination in fashioning development programs is

testimony to the vitality of the U.S.- Japan relationship and to our ability to adapt this relationship to a changing world.

For the past half a century, the U.S.-Japan partnership has been buoyed by our sense of shared interests and of a common destiny. We have held fast to the conviction that America and Japan could better ensure global peace and prosperity by working together as partners rather than as rivals. This message is as relevant to us today as ever. As we confront new global challenges and changing geo-political dynamics, let us not forget our common destiny. Let us continue to work together as partners, not rivals. If we can do this, then I am convinced that our two countries will bring even greater prosperity and peace to the world in the decades to come.

Thank you.





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