

FCCJ - FOREIGN CORRESPONDENTS CLUB OF JAPAN

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THANK YOU FOR HAVING ME OVER TODAY. THIS FORUM HAS LONG SERVED AS AN IMPORTANT AVENUE FOR THE WORLD TO LEARN MORE ABOUT JAPAN. I AM CONSTANTLY REMINDED OF THE CRUCIAL ROLE THAT YOU PLAY AS INTERPRETERS TO THE WORLD OF THE EVENTS TAKING PLACE IN THIS REMARKABLE NATION. IT IS AN HONOR TO BE HERE.

WE MEET AT A GOOD TIME. PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO MET THREE WEEKS AGO IN SANTA MONICA TO SET THE COURSE FOR THEIR JOINT LEADERSHIP OF THE U.S.-JAPAN PARTNERSHIP, AND LAID THE GROUNDWORK FOR THE IMPORTANT WORK TO BE UNDERTAKEN BY THEM AT THE PRESIDENT'S UPCOMING STATE VISIT THIS APRIL.

JAPAN AND THE U.S. ARE THE MOST VIBRANT NATIONS IN A RAPIDLY CHANGING WORLD. I HAVE OFTEN SAID THAT WHEN OUR RELATIONSHIP IS SOLID, PRACTICALLY EVERY PROBLEM IN THE WORLD CAN BE MORE EASILY MANAGED OR INDEED SOLVED; AND WHEN IT IS NOT, ALL THOSE PROBLEMS BECOME WORSE. THIS IS WHY OUR SHARED COMMITMENT TO A BETTER WORLD IS SO VITAL TO ALL OF US.

THIS OBVIOUS POINT WILL BECOME EVEN MORE OBVIOUS DURING THE UPCOMING SUMMIT. DURING THEIR DELIBERATIONS, U.S. AND JAPANESE LEADERS WILL DISCUSS OUR SECURITY RELATIONSHIP, OUR ECONOMIC AND TRADE RELATIONS, COOPERATION ON DEVELOPMENTAL EFFORTS, AND WAYS TO INCREASE EDUCATIONAL AND CULTURAL COOPERATION. I WOULD LIKE TO TALK BRIEFLY ABOUT EACH OF THESE.

X--X--X (SECURITY)

SINCE THE FOUNDATION OF OUR RELATIONSHIP IS THE U.S.-JAPAN SECURITY TREATY, A CENTERPIECE OF THE APRIL SUMMIT WILL BE A SECURITY DECLARATION TO REAFFIRM THE CRUCIAL NATURE OF OUR ALLIANCE. IN ONE OF THE GREAT DIPLOMATIC SUCCESS STORIES IN MODERN HISTORY, JAPAN AND THE UNITED STATES OVERCAME WAR AND HOSTILITY TO FORGE A SOLID ALLIANCE; AND TODAY, THERE IS SIMPLY NO SUBSTITUTE FOR THE POSITIVE ROLE THAT THIS ALLIANCE IS PLAYING. IT IS VITAL TO THE SECURITY OF BOTH COUNTRIES AND ENSURES THE STABILITY OF EAST ASIA -- A STABILITY WHICH MAKES ALL OTHER PROGRESS POSSIBLE.

THE U.S. TAKES A STRONG SECURITY INTEREST IN ASIA BECAUSE OUR NATIONAL INTEREST DEMANDS IT. WE ARE A PACIFIC NATION. TRADE WITH OUR ASIA-PACIFIC PARTNERS HAS A CRITICAL IMPACT ON OUR ECONOMIC GROWTH. FOR AMERICA TO PLAY A CONSTRUCTIVE ROLE IN ENSURING THE FUTURE OF THIS VITAL REGION, WE MUST REMAIN ENGAGED ECONOMICALLY, POLITICALLY, AND STRATEGICALLY.

THE THREE MAJOR WARS IN MY LIFETIME STARTED IN THIS HISTORICALLY UNSTABLE REGION -- AND THE FUTURE IS NOT WITHOUT UNCERTAINTIES. THE KOREAN PENINSULA REMAINS DIVIDED AND TENSE. THE INTERNAL DEVELOPMENTS AND THE EXTERNAL POLICIES OF KEY REGIONAL PLAYERS COULD MOVE IN UNSETTLING DIRECTIONS. WE SEE A RANGE OF UNRESOLVED TERRITORIAL ISSUES, INCLUDING THOSE HIGHLIGHTED BY THE CURRENT TENSION IN THE TAIWAN STRAIT. AND, WE SEE INCREASING MILITARY SPENDING BY MANY COUNTRIES. COMPETITION FOR RESOURCES IS LIKELY TO INCREASE AS THESE DYNAMIC ECONOMIES PURSUE AMBITIOUS DEVELOPMENT PLANS. IN THIS UNCERTAIN ENVIRONMENT, THE REDUCTION OF U.S. FORCES WOULD SEND THE WRONG SIGNAL ABOUT OUR COMMITMENT TO THE REGION.

THE U.S.-JAPAN ALLIANCE IS NOT DESIGNED TO CONTAIN ANY COUNTRY NOR IS IT DIRECTED AT A SPECIFIC THREAT. AS SECRETARY PERRY RECENTLY SAID, OUR ALLIANCE IS BASED ON COMMON INTERESTS, NOT COMMON ENEMIES. WE SHARE A WIDE RANGE OF STRATEGIC INTERESTS WHICH TRANSCEND THE END OF THE COLD WAR AND REQUIRE AN EFFECTIVE STABILIZING FORCE IN THE REGION. THESE INCLUDE ENGAGING CHINA COMPREHENSIVELY, FOSTERING PEACE AND STABILITY ON THE KOREAN PENINSULA, SUPPORTING THE DEMOCRATIZATION OF RUSSIA, HELPING THE NATIONS IN INDO-CHINA TO JOIN THE INTERNATIONAL COMMUNITY, PROMOTING THE PEACEFUL RESOLUTION OF LINGERING TERRITORIAL DISPUTES, ENSURING FREE AND SAFE NAVIGATION THROUGH THE VITAL SEA-LANES OF THE REGION, AND PROMOTING ARMS CONTROL. UNLIKE EUROPE, EAST ASIA DOES NOT HAVE A MULTILATERAL SECURITY STRUCTURE, SUCH AS NATO, TO MANAGE THE SHOCKS AND TENSIONS OF A DIVERSE ASIA-PACIFIC COMMUNITY -- OR TO PREVENT A DESTABILIZING POWER VACUUM. THE U.S.-JAPAN ALLIANCE SERVES THAT CRUCIAL PURPOSE.

IN JAPAN, THERE IS A CONSENSUS AMONG MAJOR POLITICAL PARTIES THAT THE U.S.-JAPAN SECURITY TREATY BOTH SERVES THE NATION'S INTERESTS AND IS A SOURCE OF REGIONAL STABILITY. THE JAPANESE GOVERNMENT FORCEFULLY REPEATED THIS VIEW WHEN ITS CABINET APPROVED A NEW NATIONAL DEFENSE PROGRAM OUTLINE IN

LATE NOVEMBER -- STRONGLY REAFFIRMING JAPAN'S COMMITMENT TO THE ALLIANCE. AND, THERE IS NO GREATER MANIFESTATION OF JAPAN'S SUPPORT FOR OUR MILITARY PRESENCE THAN ITS GENEROUS HOST NATION SUPPORT.

BUT SECURITY DOES NOT COME WITHOUT OTHER COSTS. IT REQUIRES THE FORWARD DEPLOYMENT OF FORCES -- WHICH MEANS A SUBSTANTIAL U.S. SECURITY PRESENCE IN JAPAN.

AS YOU KNOW, MANY IN OKINAWA FEEL THAT THE SECURITY BURDEN HAS BEEN DISPROPORTIONATELY PLACED UPON THEM. OF OUR APPROXIMATELY 47,000 TROOPS IN JAPAN, ABOUT 28,000 ARE STATIONED IN THAT PREFECTURE. RESPONDING TO OKINAWAN CONCERNS, OUR GOVERNMENTS HAVE ESTABLISHED A SPECIAL ACTION COMMITTEE, WHICH IS NOW HARD AT WORK SHAPING CHANGES IN OUR PRESENCE TO REDUCE IRRITANTS AND CONSOLIDATE BASES CONSISTENT WITH OUR RESPONSIBILITIES UNDER THE SECURITY TREATY.

WE HAVE LISTENED CAREFULLY TO THE CONCERNS EXPRESSED, AND WE WILL DO EVERYTHING POSSIBLE TO SHOW THAT WE WANT TO BE GOOD NEIGHBORS TO THE OKINAWAN PEOPLE. BOTH NATIONS HOPE TO HAVE SOME IMPORTANT STEPS TO ANNOUNCE BY THE TIME OF THE STATE VISIT. AS YOU KNOW, SECRETARY OF DEFENSE PERRY WILL BE HERE SHORTLY BEFORE THE STATE VISIT TO MOVE THIS PROCESS FORWARD. THIS TASK IS NOT EASY. OUR BASES IN OKINAWA PLAY A VITAL ROLE, AND WE MUST NOT DIMINISH OUR ABILITY TO MAINTAIN DETERRENCE. BUT I WANT YOU TO KNOW THAT BOTH OF OUR GOVERNMENTS ARE COMMITTED TO DO ALL WE CAN WITHIN THIS FRAMEWORK.

X--X--X (ECONOMIC TIES)

AS WITH SECURITY, BOTH NATIONS HAVE MUCH TO GAIN BY WORKING TOGETHER IN THE ECONOMIC ARENA. THE ENORMOUS AND GROWING ECONOMIC STAKE THAT AMERICA HAS IN JAPAN AND IN THE ASIAN PACIFIC REGION IS ONE OF THE MOST IMPORTANT REALITIES IN THE WORLD TODAY. WE NOW EXPORT 60% MORE GOODS TO THIS REGION THAN TO EUROPE. IN A VERY FEW YEARS, OUR TRADE AND INVESTMENT FLOWS ACROSS THE PACIFIC WILL BE DOUBLE THE TRANS-ATLANTIC VOLUME.

IT IS NO SECRET THAT OUR TRADE RELATIONSHIP WITH JAPAN HAS BEEN DIFFICULT. I SPENT MUCH OF MY FIRST YEARS HERE TRYING TO ADDRESS SERIOUS

MARKET ACCESS PROBLEMS. SOME PROGRESS HAS BEEN MADE. ON THE MACRO-ECONOMIC LEVEL, JAPAN'S GLOBAL SURPLUS IS COMING DOWN AND OUR BILATERAL CURRENT ACCOUNT AND TRADE BALANCES ARE IMPROVING. MANY OF THE 20 OR SO AGREEMENTS CONCLUDED UNDER THE 1993 FRAMEWORK AGREEMENT ARE BEGINNING TO SHOW RESULTS, AND WE WANT TO ENSURE THAT THIS CONTINUES. I BELIEVE THAT OUR LEADERS WILL REAFFIRM THE IMPORTANCE OF THE FRAMEWORK AGREEMENT, WHICH LIES AT THE CENTER OF OUR TRADE RELATIONSHIP.

HOWEVER, IF WE ARE TO MAKE ONGOING PROGRESS WE MUST CONTINUE TO SIT DOWN TOGETHER AND WORK THROUGH TRADE ISSUES. SIGNING AN AGREEMENT IS ONLY THE BEGINNING. WE MUST ENSURE THAT THE SPIRIT OF THESE ACCORDS IS REALIZED IN ACTUAL PRACTICE. IN INSURANCE, FOR EXAMPLE, WE ARE PRESSING THE JAPANESE TO HONOR THEIR COMMITMENTS UNDER OUR 1994 AGREEMENT FOR MEANINGFUL DEREGULATION IN JAPAN'S PRIMARY INSURANCE SECTORS.

SINCE THE SEMICONDUCTOR ACCORD WE HAVE SEEN SIGNIFICANT PROGRESS. BOTH U.S. AND JAPANESE SEMICONDUCTOR PRODUCERS AND USERS ARE STRONGER AS A RESULT OF THIS AGREEMENT. IT IS A SUCCESS, AND WE SHOULD KEEP IT GOING. IT HAS HELPED US RESOLVE PROBLEMS THAT WERE VERY CONTENTIOUS, AND IT MAKES SENSE TO CONTINUE THE AGREEMENT IN SOME FORM.

AMONG OTHER OUTSTANDING TRADE ISSUES, WE ARE CONCERNED THAT KODAK'S WORLD-CLASS PRODUCTS FACE ACCESS PROBLEMS IN JAPAN; AND, CIVIL AVIATION IS A SECTOR IN WHICH WE SEEK TO LIBERALIZE AND EXPAND OPPORTUNITIES FOR CARRIERS OF BOTH NATIONS.

THERE HAVE BEEN OTHER HOPEFUL DEVELOPMENTS. RECENTLY, THE GOVERNMENT OF JAPAN HAS ANNOUNCED SOME VERY POSITIVE CHANGES AFFECTING FINANCIAL SERVICES THAT WILL PERMIT WIDE RANGING USE OF FOREIGN FINANCIAL ADVISORS IN THE INVESTMENT OF THEIR HUGE PUBLIC AND PRIVATE PENSIONS. WE APPLAUD THAT DECISION. RECENTLY, PRIME MINISTER HASHIMOTO STATED THAT JAPAN INTENDS TO REDUCE IMPEDIMENTS TO THE SALE OF FOREIGN BUILDING MATERIALS. THIS IS A PROMISING AREA THAT COULD HAVE A POSITIVE IMPACT ON TRADE IMBALANCES AND LEAD TO REDUCTIONS IN THE HIGH COST OF HOUSING IN JAPAN.

WE ARE ALSO ENCOURAGED BY THE POSSIBILITY THAT JAPAN WILL EXTEND INTELLECTUAL PROPERTY PROTECTION FOR MUSIC PRODUCED BY AMERICAN ARTISTS AND OTHERS EXTENDING BACK TO A PERIOD OF FIFTY YEARS -- THAT IS THE LEAST WE CAN DO FOR FRANK SINATRA AND ELVIS PRESLEY! ALSO, A FEW DAYS AGO, IT WAS ANNOUNCED THAT THERE WILL BE A LIBERALIZATION OF COSMETICS IMPORTS THAT SHOULD INCREASE IMPORTS AND REDUCE THE VERY HIGH PRICES NOW CHARGED FOR COSMETICS IN JAPAN. JOAN HAS ASKED ME TO ANNOUNCE HER SUPPORT FOR THAT MOVE IN TODAY'S REMARKS.

JAPANESE BUSINESSMEN AND CONSUMERS KNOW THAT DEREGULATION IS VITAL TO JAPAN'S FUTURE AND THAT IT WILL HELP RESOLVE IMBALANCES AND TRADE FRICTION. A RECENT ECONOMIC PLANNING AGENCY REPORT STATED THAT THE FAILURE TO DEREGULATE COSTS JAPAN OVER 1% IN GDP GROWTH ANNUALLY. REGRETTABLY, WE DON'T SEE MUCH MOVEMENT ON THIS FRONT -- BUT WE HOPE TO SEE MORE IN JAPAN'S DEREGULATION REPORT TO BE ISSUED AT THE END OF THIS MONTH.

THE U.S. AND JAPAN ARE THE MAIN ENGINES OF THE ASIA-PACIFIC REGION, WHICH IN TURN IS THE DRIVING FORCE OF THE WORLD ECONOMY. WE ARE THE KEY PLAYERS IN APEC'S DYNAMIC VISION. GIVEN THE IMPACT OF OUR ECONOMIC RELATIONS ON THE WORLD AT LARGE, TOGETHER WE MUST LEAD THE WORLD TOWARD THE GOAL OF A TRULY OPEN ECONOMY -- THE SUMMIT PROVIDES AN OPPORTUNITY FOR OUR LEADERS TO REAFFIRM THIS BILATERAL COMMITMENT TO OUR COMMON PROSPERITY.

X--X--X (POLITICAL LEADERSHIP)

U.S.-JAPAN COOPERATION ON THE POLITICAL FRONT IS ALSO CHANGING THE WORLD FOR THE BETTER. NEXT MONTH, OUR LEADERS WILL UNDERScore THE BROAD AND RICH RANGE OF EFFORTS IN WHICH WE COOPERATE. PERHAPS ONE OF THE MORE OBVIOUS EXAMPLES IS OUR CLOSE COOPERATION, TOGETHER WITH THE REPUBLIC OF KOREA, ON NORTH KOREAN NUCLEAR ISSUES -- ADDRESSING A SITUATION THAT COULD FUNDAMENTALLY DESTABILIZE EAST ASIA. LESS NOTICED IS OUR WORK TOGETHER ON THE MIDDLE EAST, EASTERN EUROPE, AND ELSEWHERE.

UNDER THE SPECTACULAR YET OFTEN OVERLOOKED "COMMON AGENDA," WE ARE ACTING UPON OUR SHARED INTEREST IN RESOLVING AN EXTRAORDINARILY WIDE RANGE OF VITAL INITIATIVES TO IMPROVE THE HUMAN CONDITION. WE ARE WORKING TO WIPE OUT POLIO; TO PROTECT THE WORLD'S FORESTS AND OCEANS; TO PREVENT AIDS; TO

ERADICATE THE NARCOTICS TRADE; TO DEVELOP ENVIRONMENTALLY SAFE TECHNOLOGIES; AND TO EXPAND THE BLESSINGS OF SCIENCE AND HEALTH TO ALL THE WORLD.

THE FACT IS THAT AMERICAN AND JAPANESE INTERESTS COINCIDE IN THIS REGION AND AROUND THE WORLD. OUR LEADERS WILL MARK OUR PROGRESS AND OFFER NEW AREAS FOR COOPERATION UNDER THE COMMON AGENDA AT THEIR APRIL MEETING.

X--X--X (CULTURAL / HUMAN TIES)

IN TOKYO, OUR LEADERS WILL ALSO DISCUSS EDUCATIONAL AND CULTURAL EXCHANGES. AS YOU KNOW, I FEEL VERY STRONGLY ABOUT THE NEED FOR MORE AMERICANS STUDYING AND LIVING IN THIS COUNTRY. WE NOW HAVE ABOUT 1,700 STUDYING HERE, BUT MOST ARE HERE FOR STAYS OF LESS THAN ONE YEAR. THERE ARE ABOUT 45,000 JAPANESE STUDYING IN THE UNITED STATES AND WE WISH THERE WERE MORE. OUR SOCIETIES AND OUR HISTORIES ARE SO PROFOUNDLY DIFFERENT THAT IT IS DANGEROUS NOT TO HAVE MANY MORE STUDENTS LEARNING ABOUT EACH OTHER. THE JAPANESE GOVERNMENT, I BELIEVE, IS EQUALLY CONCERNED ABOUT THIS PROBLEM, AND I EXPECT TO SEE OUR LEADERS MAKE FURTHER PROGRESS IN THIS AREA DURING THE STATE VISIT.

ONE OF THE HAPPY FACTS OF THIS OFTEN-TRoubLED WORLD IS THAT THE UNITED STATES AND JAPAN, BOTH STABLE DEMOCRACIES, BOTH WISHING ONLY FOR PEACE AND PROSPERITY IN A WORLD OF STABLE NATIONS, WILL CONTINUE TO SERVE THE CAUSE OF A BETTER WORLD -- BUT THIS DEPENDS ON OUR ABILITY TO UNDERSTAND EACH OTHER WELL ENOUGH THAT WE CAN INCREASE OUR POSITIVE ROLE IN TACKLING GLOBAL PROBLEMS.

X--X--X

I HAVE OFTEN SAID THAT I TOOK THE JOB OF U.S. AMBASSADOR FOR MY GRANDCHILDREN. THE U.S.-JAPANESE RELATIONSHIP TRULY IS THE MOST IMPORTANT IN THE WORLD, AND IF WE MANAGE THIS RELATIONSHIP WELL, I AM OPTIMISTIC THAT WE WILL ACHIEVE THE HOPEFUL FUTURE WE OWE TO UPCOMING GENERATIONS.

THANK YOU.





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