### U.S. PROGRAM TO ASSIST THE WORLD'S REFUGEES

### BACKGROUND

In the 41/2 years since the collapse of the governments of South Vietnam, Cambodia (now called Kampuchea), and Laos, more than a million Indochinese have fled their homelands to seek temporary or permanent asylum elsewhere. Some 350,000 refugees have resettled in non-Communist countries, and about 350,000 remain in countries of first asylum in Southeast Asia. In addition, an estimated 250,000 Indochinese have fled to the People's Republic of China, and about 150,000 Kampucheans are in camps in the Socialist Republic of Vietnam.

The exodus from the countries of Indochina initially consisted primarily of those who had fought the Communists, who had been associated with the previous regimes or with the U.S. Government, or who had opposed the new

authorities.

In 1978, however, conditions within Indochina began to change radically. The Hanoi government instituted policies designed to restructure society, shift city dwellers to the countryside, and eliminate the business and professional class. These policies were principally aimed at Vietnam's 1.5 million ethnic Chinese, who were seen as a security threat at a time of worsening relations with China. The ethnic Chinese, including those who had lived peacefully in the north since 1954, were increasingly faced with the threat of dismissal from jobs, conscription, or transfer to remote areas of the country without services, called "new economic zones.

As a result, by the summer of 1978 there was a marked increase in both the number of people fleeing Indochina and the percentage of ethnic Chinese among the refugees. Other factors contributing to the outflow of refugees were the war between China and Vietnam, the occupation of areas of Laos and Kampuchea by Vietnamese forces, military operations against the Hmong tribesmen in Laos, deteriorating economic conditions (particularly food shortages), and violations of political and other rights. In addition, Vietnamese authorities began to assist the departures of ethnic Chinese and others they considered undesirable.

The number of Indochinese seeking asylum in non-Communist countries in

6,000 a month in August 1978 to a peak of 65,000 in May 1979. Partially as a result of the Vietnamese decision announced at the Geneva refugee conference in July to stem "illegal departures" from Vietnam, the arrival rate dropped to about 12,000 in August 1979. These figures reflect only the numbers of people who succeed in seeking asylum. It is not known how many people actually attempt to leave Indochina, but there are estimates that from 30% to 60% perish before arriving at a safe haven.

Since the beginning of 1979, about 240,000 Indochinese have joined the more than 200,000 refugees who were already in camps in first-asylum countries awaiting resettlement elsewhere. In this period, however, some 75,000 have been moved from the camps to permanent homes in other countries.

Despite increased international efforts to resettle the Indochinese, the presence of large refugee populations in the countries of first-asylum continues to be a source of domestic concern and regional instability. The first-asylum countries have resisted efforts to resettle any Indochinese within their borders because they already feel overburdened by their own population pressures, economic problems, and religious and ethnic tensions, and they are concerned about the possibility of subversion and insurgency. The lack of resettlement opportunities in Southeast Asia has increased the need for greater international participation in the refugee assistance program. The U.N. High Commissioner for Refugees (UNHCR) is responsible for the protection and care of refugees in camps in Southeast Asia until permanent resettlement can be arranged.

In May and June 1979 the refugee situation reached crisis proportions, as the countries of first asylum reacted in desperation to the mounting refugee populations, the increasing arrival rates, and the apparently inadequate response to the problem by the rest of the world community. Southeast Asian governments began refusing to grant asylum to new arrivals-causing death to tens of thousands of refugees pushed back out to sea or back across land borders - and in some cases they threatened to expel refugees already admitted to U.N.-sponsored camps. As a result of the dramatic deterioration of Southeast Asia jumped from about the situation, there was widespread

support for British Prime Minister Thatcher's proposal that the United Nations convene a special meeting on the Indochinese refugee problem. U.N. Secretary General Waldheim invited 72 nations to attend the meeting, which he convened in Geneva July 20-21, 1979. Vice President Mondale headed the U.S. delegation and delivered the following address on July 21.

### VICE PRESIDENT MONDALE

Once again the countries of the world turn to the United Nations. When problems touch the whole human communilty, no other forum provides a vision more encompassing. When national interests conflict and collide, no institution convenes us with greater moral authority. The United Nations is often criticized and sometimes even maligned. But the common ground it provides us deserves our thanks and praise. On behalf of the United States - and I believe, on behalf of all nations in the world community-I thank Secretary General Waldheim and High Commissioner Hartling [U.N. High Commissioner for Refugees Poul Hartling] for their leadership in convening us here today.

Some tragedies defy the imagination. Some misery so surpasses the grasp of reason that language itself breaks beneath the strain. Instead, we gasp for metaphors. Instead, we speak the inaudible dialect of the human heart.

Today we confront such a tragedy. In virtually all the world's languages, desperate new expressions have been born. "A barbed-wire bondage." "An archipelago of despair." "A floodtide of human misery." With this new coinage our language is enriched, and our civilization is impoverished.

"The boat people." "The land people." The phrases are new, but unfortunately their precedent in the annals of shame is not. Forty-one years ago this very week, another international conference on Lake Geneva concluded its deliberations. Thirty-two 'nations of asylum'' convened at Evian to save the doomed Jews of Nazi Germany and Austria. On the eve of the conference, Hitler flung the challenge in the world's face. He said: "I can only hope that the other world, which has such deep sympathy for these criminals, will at least be gener-

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ous enough to convert this sympathy into practical aid." We have each heard similar arguments about the plight of the refugees in Indochina.

At stake at Evian were both human lives and the decency and self-respect of the civilized world. If each nation at Evian had agreed on that day to take in 17.000 Jews at once, every Jew in the Reich could have been saved. As one American observer wrote: "It is heartbreaking to think of the . . . desperate human beings . . . waiting in suspense for what happens at Evian. But the question they underline is not simply humanitarian. . . . It is a test of civilization."

At Evian, they began with high hopes. But they failed the test of civilization

The civilized world hid in the cloak of legalisms. Two nations said they had reached the saturation point for Jewish refugees. Four nations said they would

### Rescue of Refugees at Sea

Tradition provides that ship captains shall rescue individuals in distress at sea and bring them to the closest port for disembarkation. Thousands of Indochinese refugees have been rescued on the high seas, but in some cases vessels have reportedly ignored distress

signals.

tlement.

In December 1978, the U.N. High Commission for Refugees and the Inter-Governmental Maritime Consultative Organization issued a joint appeal to governments, shipowners, and ship masters to continue the rescue of refugees on the high seas. Three times since mid-1978 the U.S. Government has reminded American line operators and their captains of their obligations in this regard and has also provided a guarantee of resettlement for refugees rescued by U.S.-owned or U.S.-registered vessels if those refugees are not accepted by another country.

Major maritime nations, for the most part, have stated that they have instructed their carriers to rescue refugees at sea. The major problem appears to lie with carriers operating under flags of convenience. Ship masters are coming under additional pressure as a result of stiffening resistance among the ports of the region to the landing of refugees without guarantees of reset-

accept experienced agricultural workers only. One would only accept immigrants who had been baptized. Three declared intellectuals and merchants to be undesirable new citizens. One nation feared that an influx of Jews would arouse antisemitic feelings. And one delegate said this: "As we have no real racial problem, we are not desirous of importing one."

As the delegates left Evian, Hitler again goaded "the other world" for "oozing sympathy for the poor, tormented people, but remaining hard and obdurate when it comes to helping them." Days later, the "final solution to the Jewish problem" was conceived,

and soon the night closed in.

Let us not reenact their error. Let us not be the heirs to their shame.

To alleviate the tragedy in Southeast Asia, we all have a part to play. The United States is committed to doing its share, just as we have done for generations. "Mother of Exiles" it says on the pedestal of the Statue of Liberty at the port of New York. The American people have already welcomed over 200,000 Indochinese. Their talent and their energies immeasurably enrich our nation.

We are preparing to welcome another 168,000 refugees in the coming year. The governors and the Members of Congress in our delegation—as well as outstanding religious and civic leaders throughout America—are a symbol of the enduring commitment of President Carter and the American people.

Many nations represented here have risen to history's test, accepting substantial numbers of refugees. The ASEAN states [Association of South East Asian Nations], China, and Hong Kong have offered safety and asylum to over half a million refugees from Vietnam, Laos, and Kampuchea since 1975. And others have opened their doors

But the growing exodus from Indochina still outstrips international efforts. We must work together or the suffering will mount. Unless we all do more, the risk of fresh conflict will arise and the stability of Southeast Asia will erode. Unless this conference gives birth to new commitments, and not simply new metaphors, we will inherit the scorn of Evian. It is a time for action, not words.

I would like to outline seven areas where action is needed.

First and foremost, the fundamental responsibility must rest with the authorities of Indochina, particularly the Government of the Socialist Republic of Vietnam. That government is failing to insure the human rights of its people. Its callous and irresponsible

zens to forsake everything they treasure, to risk their lives, and to flee into the unknown.

There must be an immediate moratorium on the further explusion of people from Vietnam. We must stop the drownings and establish a humane emigration program. The policy of expulsion which has led to so many tragic deaths must end. It must be replaced by a policy which enables those who wish to leave their homes to do so—in safety and by choice and in an orderly manner.

At the same time, we must not forget the land people driven from their homeland by conflict and foreign invasion. The nations of the world must promote a political settlement in Kampuchea. The survival of a whole people is in grave doubt. Neither the Pol Pot nor Hang Samrin regimes represents the Kampuchean people. The conflict, and the human tragedy in its wake, must stop. The international community must not tolerate forced expulsion of entire populations.

I call on all governments to allow normal free emigration and family reunification. My government supports efforts to negotiate a program of orderly direct departures from Vietnam—but not at the expense of those in camps elsewhere in Southeast Asia already awaiting resettlement and not as part of a program of expulsion of

ethnic or political groups.

Second, I urge the countries of first asylum to continue to provide temporary safe haven to all refugees. The compassion these nations have shown earns them the respect and admiration of the world's community. But these nations cannot bear this responsibility alone. We call on them to persist in their spirit of humanity so that our common effort can proceed.

Therefore, third, the rest of us must provide assurances to first-asylum countries that the refugees will find new homes within a reasonable period of time. To meet this objective, we call on all nations to double their resettlement commitment, as the United States has already done. Moreover, we must all be prepared to commit ourselves to multiyear resettlement programs—for the problem will not be solved quickly. The U.S. Government is now seeking that authority.

Fourth, each of us must make a greater contribution to the relief efforts of the U.N. High Commissioner for Refugees. The UNHCR will need increased resources now and in the coming years to care for growing refugee populations and to alleviate the misery in refugee camps. The UNHCR may require an estimated \$400 million for

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To do our part to help, I am privileged to announce today that my government will ask our Congress to allocate \$105 million for those programs-more than double our current effort. We are also ready to assign highly qualified Peace Corps volunteers to work in the camps in Southeast Asia-to work not only with the individual countries but also in the programs of the U.N. High Commissioner. We urge other nations to undertake similar programs of support.

Fifth, it is essential that we relieve pressures on existing camps and create a network of new transit centers for refugees destined for permanent resettlement elsewhere. Given the magnitude of the refugee population, such centers must accommodate at least 250,000 refugees. My government has endorsed the initiative of the ASEAN states for U.N.-sponsored refugee processing centers. President Carter applauds the Government of the Philippines for the bold and exemplary steps it has taken-a model of responsible world leadership. Today I am especially pleased to announce that we are requesting more than \$20 million from the Congress to finance our share of such new UNHCR facilities.

Sixth, we must extend refugee resettlement to nations which are ready to receive them-but which do not have the resources to do so. Today, on behalf of the U.S. Government, I propose the creation of an international refugee resettlement fund. If other nations join us, we will ask our Congress for contributions to the fund totaling \$20 million for the first year. We ask today that other nations match us. We recommend that the fund be capitalized at \$200 million. This fund could, for example, endow an international corporation which would help developing countries embark on their planning and secure additional resources for this high humanitarian purpose.

Seventh, and above all, we must act to protect the lives of those who seek safety. The United States is acting vigorously to save refugees from exposure and starvation and drowning and death at sea.

As Commander in Chief of the military, the President of the United States has dramatically strengthened his orders to our Navy to help the drowning and the desperate. Today the President has ordered four additional ships from the Military Sealift Command to be dispatched to the South China Seawhere they will be available both to transport tens of thousands of refugees from camps to refugee processing centers and to assist refugees at sea. At the same time, the President has also or-

### CONTRIBUTIONS TO UNHCR FOR INDOCHINESE REFUGEES (Million U.S. \$)

	1975-	Balance of		
Country	June 30, 1979	1979	1980	
Australia	9.8	5.0		
Austria	.04		.10	
Belgium	.59		.73	
Canada	1.9	.40		
China		1.0		
Cyprus	100.			
Denmark	5.8	1.9		
EEC	8.0	25	5.5	
Finland		1.0		
France	*	*		
Germany, West	7.0	3.8	10.9	
Greece	.015			
Iran		.09		
Ireland	.08	.4		
Italy	.78	.8		
Japan	23.6	(50% of future costs)		
Korea		4.8		
Mauritius	.01			
Neitherlands	3.8	4.9		
New Zealand	.36			
Nigeria		.12		
Norway	6.0	2.0		
Philippines	.03			
Sweden	3.3			
Switzerland	1.2			
Taiwan	**			
U.K.	5.6	5.4	5.4	
U.S.	42.9	34.0	105.0	
TOTAL	120.780	90.61	127.63	

\*France contributes to the overall UNHCR budget but does not earmark contributions for the Indochina program.

\*\* Taiwan contributed \$500,000 to the International Rescue Committee for assistance to Indochinese refugees.

patrols to locate and seek help for refugee boats in distress.

And the President is asking our private shipping industry and unions to persist with their time-honored efforts to help refugees at sea. We appeal to other governments to do the same-and to accept for resettlement those who are picked up.

In conclusion let me reiterate two points.

First, the international community must not tolerate this forced expulsion. We call upon Vietnam to cease those policies which condemn so many to flee. There must be an immediate moratorium on expulsions.

The freedom to emigrate is a fundamental human right. But no nation is blind to the difference between free emigration and forced exodus. Let us impose a moratorium on that exodus. Let us have a breathing spell during which all of us-governments, voluntary agencies, and private individuals alike-mobilize our generosity and redered long-range Navy aircraft to fly lieve the human misery. And let us

urge the Government of Vietnam to honor the inalienable human rights at the core of every civilized society.

Second, our children will deal harshly with us if we fail. The conference at Evian 41 years ago took place amidst the same comfort and beauty we enjoy at our own deliberations today. One observer at those proceedingsmoved by the contrast between the setting and the task—said this:

These poor people and these great principles seem so far away. To one who has attended other conferences on Lake Geneva, the most striking thing on the eve of this one is that the atmosphere is so much like the others.

Let us not be like the others. Let us renounce that legacy of shame. Let us reach beyond metaphor. Let us honor the moral principles we inherit. Let us do something meaningful-something profound-to stem this misery. We face a world problem. Let us fashion a world solution. History will not forgive us if we fail. History will not forget us if we succeed.

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U.S. envoy urges Japan market-opening to stop yen+

TOKYO, July 12 Kyodo - U.S. Ambassador to Japan Walter Mondale said Tuesday a freer market in Japan will help stem what he described as an undesirable free-fall in the dollar's value against the yen.

Delivering a speech to the annual session of the Japan-U.S. Business Conference at a Tokyo hotel, Mondale urged Japan to further open its market and stimulate the economy to stabilize the currency markets.

Quoting a weekend agreement at the Group of Seven (G-7) finance ministers in Naples, Mondale said, ''Recent movements in exchange rates are not in line with the basic conditions prevailing in our economies, and thus a further weakening of the U.S. dollar is neither desirable nor justified.''

He declined to offer a personal view on the yen-dollar rate, saying, ''I cannot go beyond that.''

But the ambassador said his suggested measures for the Japanese economy will contribute toward creating a ''more positive trend'' in the currency markets.

Under the weight of the huge trade imbalance between Japan and the United States, the dollar has been plummeting against the Japanse currency for weeks, hitting a new record postwar low of 96.95 yen temporarily in New York on Monday.

Mondale repeated his earlier calls for action by Tokyo on market-opening, saying, ''There is a strong case to be made that many key areas of the Japanese economy are essentially closed.''

On the ongoing bilateral ''framework'' trade talks, the ambassador said it is important to hammer out a ''sound'' agreement that will bring about ''practical results.''

''We should not accept a vague agreement that experience tells us only leads to later frustrations and disappointments,'' he said.

Asked about his earlier remarks concerning the ''legitimacy'' of the new Japanese government under Prime Minister Tomiichi Murayama, he said some Japanese commentators have taken the word more literally than he intended.

He said the expression was meant to indicate the U.S. government's readiness to immediately start negotiations with the new government on bilateral issues. == Kyodo

## AMERICA AND JAPAN - BUILDING AN ASIA-PACIFIC COMMUNITY

A YEAR AGO I ARRIVED IN TOKYO TO BEGIN MY DUTIES AS THE UNITED STATES AMBASSADOR.

I WAS HEARTENED TO HEAR OF THE MANY WHO SUPPORTED MY NOMINATION TO THIS OFFICE. A REPUBLICAN FRIEND OF MINE WROTE ME TO SAY THAT HAD HE KNOWN THAT PRESIDENT CLINTON WAS GOING TO SEND ME OUT OF THE COUNTRY, HE WOULD HAVE VOTED FOR HIM.

I QUICKLY LEARNED THAT MY NEW JOB HAD ANOTHER ADVANTAGE. WHEN WASHINGTON IS AWAKE, I AM ASLEEP. EVEN BETTER, WHEN I AM AWAKE, WASHINGTON IS ASLEEP! IT IS MY HOPE THAT TODAY, WHILE WE ARE ALL IN THE SAME TIME ZONE, WE CAN ALL REMAIN AWAKE TOGETHER.

IT IS REFRESHING TO START A NEW PUBLIC CAREER AT MY YOUNG AGE. I DID NOT ACCEPT THE JOB IN TOKYO TO GET AWAY FROM THE LONG MINNESOTA WINTERS OR BECAUSE I PREFERRED THE RING OF "MR. AMBASSADOR" TO "MR. VICE PRESIDENT." I AGREED TO SERVE AS OUR AMBASSADOR TO JAPAN BECAUSE I AM CONVINCED THAT OUR RELATIONSHIP WITH THIS GREAT COUNTRY, MORE THAN ANY OTHER OF OUR BILATERAL TIES, WILL SHAPE OUR NATION'S FUTURE AND THE FUTURE OF THE ASIA-PACIFIC REGION AND THE WORLD. HOW THE U.S. AND JAPAN WORK TOGETHER -- OR FAIL TO WORK TOGETHER -- WILL HAVE A GREAT IMPACT ON THE KIND OF WORLD ALL OF OUR GRANDCHILDREN WILL INHERIT.

MUCH HAS BEEN WRITTEN AND SAID ABOUT "THE PACIFIC CENTURY," AND THIS ADMINISTRATION HAS GIVEN UNPRECEDENTED ATTENTION TO THE ASIA-PACIFIC REGION, REFLECTING THE IMPORTANCE WE ATTACH TO OUR TRANS-PACIFIC CONNECTIONS. THE PRESIDENT'S FIRST OVERSEAS VISIT WAS TO THE ASIA-PACIFIC REGION -- JAPAN AND SOUTH KOREA. HE HOSTED THE FIRST APEC SUMMIT IN SEATTLE IN NOVEMBER, AN INITIATIVE THAT HAS GREATLY STIMULATED THE MOVEMENT TOWARD ECONOMIC COOPERATION AND INTEGRATION. STILL, I BELIEVE THAT MUCH MORE NEEDS TO BE DONE TO BRING HOME TO THE AMERICAN PEOPLE THE STAKE WE HAVE IN THE FUTURE OF EAST ASIA AND THE PACIFIC AND THEREFORE IN A SUCCESSFUL RELATIONSHIP WITH JAPAN. THIS IS THE MESSAGE I HOPE TO CONVEY TODAY.

FEW WOULD DISAGREE THAT ASIA-PACIFIC ECONOMIES WILL BE THE ENGINE OF GROWTH IN THE 21ST CENTURY. I BELIEVE THAT WITH THIS RISING ECONOMIC GROWTH WILL COME POLITICAL AND STRATEGIC INFLUENCE THAT WILL BE FELT THROUGHOUT THE WORLD.

ALREADY, 40 PERCENT OF OUR TRADE IS WITH THE ASIA-PACIFIC REGION. ALMOST TWO AND A HALF MILLION AMERICAN JOBS ARE DIRECTLY RELATED TO OUR EXPORTS IN ASIA. THE WORLD'S SECOND LARGEST ECONOMY - JAPAN - AND THE WORLD'S FASTEST GROWING ECONOMIES - CHINA, SOUTH KOREA, THE ASEAN COUNTRIES - ARE IN EAST ASIA. BY THE YEAR 2000, IT IS ESTIMATED THAT TRADE AND INVESTMENT FLOWS ACROSS THE PACIFIC WILL BE DOUBLE THE TRANS-ATLANTIC VOLUME. IN THE YEARS AHEAD, THE REGION WILL HAVE A CRITICAL IMPACT ON AMERICA'S ECONOMIC GROWTH -- ON TRADE, JOBS AND OUR NATIONAL PROSPERITY.

LAST JULY, IN A SPEECH AT TOKYO'S WASEDA UNIVERSITY,
PRESIDENT CLINTON LAID OUT HIS VISION OF A NEW PACIFIC COMMUNITY BASED ON "SHARED STRENGTH, SHARED PROSPERITY AND A SHARED
COMMITMENT TO DEMOCRATIC VALUES." THESE THREE PILLARS ARE MUTUALLY
REINFORCING: SECURITY IS ESSENTIAL FOR ECONOMIC DEVELOPMENT.
ECONOMIC PROGRESS PROMOTES DEMOCRATIC CHANGE. AND PROSPEROUS
DEMOCRACIES MAKE FOR PEACEFUL NEIGHBORS.

THE U.S.-JAPAN PARTNERSHIP IS THE BEDROCK OF THE NEW PACIFIC COMMUNITY. ONLY IF OUR TWO COUNTRIES WORK TOGETHER - STRATEGICALLY, ECONOMICALLY, AND ON TRANSNATIONAL ISSUES SUCH AS THE ENVIRONMENT AND AIDS - CAN THE PROMISE OF THIS DYNAMIC REGION BE FULFILLED. AND ONLY IF THE ASIA-PACIFIC COMMUNITY FLOURISHES CAN THE PROSPERITY AND SECURITY OF JAPAN AND AMERICA BE ASSURED.

DRAWING ON THE THEMES SET DOWN BY THE PRESIDENT A YEAR AGO JULY, I SEE THREE MAJOR CHALLENGES FACING THE REGION IN THIS DECADE. TO MEET SUCCESSFULLY EACH OF THESE CHALLENGES AND TO ADVANCE OUR ENDURING INTERESTS, THE U.S. MUST CONTINUE TO BE FULLY ENGAGED IN THE ASIA-PACIFIC REGION.

THE  $\underline{\text{FIRST}}$  CHALLENGE FOR A NEW PACIFIC COMMUNITY IS TO ENSURE REGIONAL STABILITY.

IN THIS CENTURY THE UNITED STATES HAS BEEN DRAWN INTO THREE CONFLICTS IN ASIA AND SACRIFICED TENS OF THOUSANDS OF AMERICAN LIVES TO RESTORE AND MAINTAIN THIS STABILITY. THANKS IN LARGE PART TO THIS AMERICAN SACRIFICE AND TO OUR CONTINUING MILITARY PRESENCE AND POLITICAL INVOLVEMENT, ASIA TODAY IS FREE OF SIGNIFICANT MILITARY CONFLICTS, DEMOCRACY IS SPREADING, AND THE STANDARD OF LIVING IS RAPIDLY RISING.

THERE ARE SOME AMERICANS WHO ARGUE THAT THIS VERY SUCCESS MEANS THAT OUR WORK IS DONE. THEY SAY THAT WITH THE END OF THE COLD WAR, WE NEED TO DEVOTE OUR FULL ATTENTION TO AMERICA'S DOMESTIC AGENDA. THEY POINT TO THE PROSPERITY OF KEY COUNTRIES IN THE REGION AND SUGGEST THE TIME HAS COME FOR US TO TURN OVER THE RESPONSIBILITY FOR REGIONAL SECURITY TO OTHERS. THIS SENTIMENT IS UNDERSTANDABLE, BUT I BELIEVE IT IGNORES THE REALITIES OF THE REGION AND THE LESSONS OF HISTORY.

THE FACT IS THAT ONLY A CONTINUING AMERICAN MILITARY PRESENCE, CENTERED ON THE U.S.-JAPAN SECURITY TREATY AND SUPPLEMENTED BY OUR OTHER BILATERAL ALLIANCES, CAN MAINTAIN REGIONAL STABILITY FOR THE FORESEEABLE FUTURE. THE UNITED STATES IS ACCEPTED AS AN HONEST BROKER AND OUR MILITARY PRESENCE IS WELCOMED BY ALL THE MEMBERS OF THE ASIA-PACIFIC COMMUNITY, WITH THE POSSIBLE EXCEPTION OF NORTH KOREA. BECAUSE OF LINGERING SUSPICIONS BASED ON HISTORICAL ANIMOSITIES, NO OTHER COUNTRY CAN PLAY THIS ROLE.

MOREOVER, IN EAST ASIA THERE IS NO FRAMEWORK SUCH NATO OR THE CSCE IN EUROPE TO MANAGE INTRA-REGIONAL PROBLEMS. INDEED, EAST ASIA IS ONLY JUST BEGINNING TO DEVELOP A REGIONAL DIALOGUE ON SECURITY ISSUES. IN JULY, THE FIRST MINISTERIAL MEETING OF THE ASIAN REGIONAL FORUM WAS HELD IN BANGKOK. THIS GROUP WILL NOW MEET ANNUALLY TO DISCUSS WAYS TO ENHANCE REGIONAL SECURITY. WE FULLY SUPPORT THIS DIALOGUE, AND WE BELIEVE OVER THE LONGER TERM THE ASIAN REGIONAL FORUM CAN MAKE A REAL CONTRIBUTION TO STABILITY IN EAST ASIA. HOWEVER, IT WILL BE YEARS BEFORE A COMPREHENSIVE REGIONAL SECURITY FRAMEWORK IS DEVELOPED. IN THE INTERIM, IT WILL BE THE U.S. PRESENCE THAT MAINTAINS THE STABILITY THAT WE HAVE SACRIFICED SO MUCH TO ACHIEVE AND IN WHICH WE HAVE SUCH AN ENDURING INTEREST.

WE MUST REMEMBER THAT EVEN WITH THE END OF THE COLD WAR AND WITH ALL THE PROGRESS THAT HAS BEEN MADE IN RESOLVING REGIONAL DISPUTES SUCH AS CAMBODIA, THERE ARE STILL THREATS TO STABILITY IN EAST ASIA. THE MOST VISIBLE REMINDER OF THIS IS NORTH KOREA'S EFFORTS TO ACQUIRE NUCLEAR WEAPONS. ONCE AGAIN IT HAS BEEN THE UNITED STATES WHICH HAS TAKEN THE LEAD IN WORKING WITH THE UNITED NATIONS, JAPAN, THE ROK, AND OTHER KEY COUNTRIES IN ADDRESSING THIS THREAT. THERE ARE ALSO COMPETING TERRITORIAL CLAIMS IN THE SOUTH CHINA SEA AND OTHER FRICTION POINTS THAT CANNOT BE IGNORED.

THE UNITED STATES MUST CONTINUE TO LEAD IN ENSURING REGIONAL STABILITY, BUT THERE IS THE NEED FOR OTHERS TO SHARE MORE OF THE RESPONSIBILITY. I AM HAPPY TO SAY THAT THIS IS STARTING TO HAPPEN. THE HEART OF OUR MILITARY PRESENCE IN EAST ASIA IS OUR BASES IN JAPAN AND THE ROUGHLY 47000 AMERICAN SERVICEMEN AND WOMEN STATIONED THERE. WITHOUT THESE BASES, WE COULD NOT MAINTAIN THE FORWARD DEPLOYED CARRIER BATTLE GROUP ND THE AIR FORCE, MARINE, AND ARMY UNITS NECESSARY TO MEET OUR COMMITMENTS.

UNDER AN AGREEMENT CONCLUDED FOUR YEARS AGO, THE GOVERNMENT OF JAPAN IS ASSUMING MORE THAN HALF THE COST - SOME \$4 BILLION OR 10% OF JAPAN'S DEFENSE BUDGET - ASSOCIATED WITH OUR BASES. THE REMAINING COST TO THE AMERICAN TAX PAYER - AGAIN ABOUT \$4 BILLION - REPRESENTS LESS THAT 2% OF THE TOTAL U.S. DEFENSE BUDGET.

IN MY JUDGMENT, THIS IS A TREMENDOUS BARGAIN FOR THE AMERICAN TAX PAYER IN TERMS OF THE CONTRIBUTION IT MAKES TO OUR SECURITY, INFLUENCE, AND PROSPERITY. IT IS ALSO A TREMENDOUS BARGAIN FOR JAPAN. IN SUM THIS ARRANGEMENT SERVES THE INTERESTS OF THE UNITED STATES, JAPAN, THE REGION AND THE WORLD.

WE MUST PRESERVE AND STRENGTHEN OUR STRATEGIC INVESTMENT IN EAST ASIA BY MAINTAINING OUR ALLIANCES AND OUR MILITARY PRESENCE, BY HELPING TO BUILD A FRAMEWORK FOR REGIONAL SECURITY COOPERATION, AND BY CONTINUING TO DEVOTE THE TIME AND ATTENTION TO EAST ASIA THAT IT DESERVES.

THE <u>SECOND</u> CHALLENGE FOR THE PACIFIC COMMUNITY IS TO ADVANCE THE OPPORTUNITIES FOR PROSPERITY.

THE FREE FLOW OF TRADE AND COMMERCE AMONG NATIONS IS A CRITICAL ELEMENT IN IMPROVING REGIONAL AND GLOBAL PROSPERITY. MOVING TOWARD MORE OPEN MARKETS IS WHAT GATT IS ALL ABOUT. THAT'S WHAT NAFTA IS ALL ABOUT. AND THAT'S WHAT APEC -- THE ASIA-PACIFIC ECONOMIC COOPERATION FORUM -- IS ALL ABOUT.

NOW THE MEMBERS OF APEC HAVE AN OPPORTUNITY TO SPUR REGIONAL AND GLOBAL GROWTH BY FURTHER TRADE AND INVESTMENT LIBERALIZATION. AS THE MAJOR ECONOMIC POWERS IN THE REGION, THE UNITED STATES AND JAPAN MUST TAKE THE LEAD IN SECURING THE PROSPERITY OF THE ASIA-PACIFIC COMMUNITY IN THE 21ST CENTURY.

THE U.S. WILL CONTINUE ITS ROLE AS THE ENGINE OF GROWTH FOR THE REGION. WE WILL KEEP OUR MARKETS OPEN. WE WILL PROVIDE INVESTMENT CAPITAL. WE WILL EXPORT INNOVATIVE, HIGH-QUALITY, COMPETITIVELY-PRICED GOODS AND SERVICES TO IMPROVE THE LIVES OF THE PEOPLE OF THE REGION. THE U.S. GOVERNMENT AND PRIVATE SECTOR ARE WORKING TOGETHER TO EXPAND EXPORTS AND INVESTMENTS IN THIS DYNAMIC MARKET.

JAPAN, FOR ITS PART, WILL CONTINUE TO BE THE MAJOR SOURCE OF ECONOMIC ASSISTANCE AND DIRECT INVESTMENT AND THE MAJOR PROVIDER OF MANUFACTURED PRODUCTS. THESE ARE IMPORTANT CONTRIBUTIONS, BUT I BELIEVE THEY ARE NO LONGER SUFFICIENT: IF WE ARE TO TAKE FULL ADVANTAGE OF THE OPPORTUNITIES FOR REGIONAL GROWTH AND PROSPERITY, JAPAN WILL NEED TO OPEN ITS ECONOMY MORE COMPLETELY TO THE REGION AND THE WORLD.

IN THE POST-WORLD WAR II PERIOD, JAPAN HAS BEEN AMONG THE GREATEST BENEFICIARIES OF THE OPEN WORLD TRADING AND FINANCIAL SYSTEMS. IT HAS TAKEN FULL ADVANTAGE OF FREE ACCESS TO THE AMERICAN AND OTHER MARKETS TO EXPAND EXPORTS AND BUILD ITS ECONOMY INTO THE SECOND LARGEST IN THE WORLD.

BUT JAPAN HAS NOT FULLY RECIPROCATED IN OPENING ITS OWN MARKETS TO FOREIGN GOODS, SERVICES, AND INVESTMENT. TARIFFS ARE LOW ON AVERAGE, BUT A COMBINATION OF EXCESSIVE REGULATIONS AND INFORMAL BUSINESS PRACTICES IMPEDES IMPORTS. AS A RESULT, JAPAN ABSORBS FAR FEWER MANUFACTURED IMPORTS RELATIVE TO THE SIZE OF ITS ECONOMY THAN ANY OTHER INDUSTRIALIZED NATION. JAPAN ALSO TAKES IN VERY LITTLE OF THE WORLD'S FOREIGN DIRECT INVESTMENT. WE KNOW THAT TRADE AND INVESTMENT ARE CLOSELY CONNECTED; AS A RESULT, THE LOW LEVEL OF INVESTMENT CONTRIBUTES TO THE LOW LEVEL OF IMPORTS.

FOR THE UNITED STATES, JAPAN'S LARGEST TRADING PARTNER, THESE MARKET ACCESS PROBLEMS HAVE A PARTICULARLY IMPORTANT IMPACT. BUT MORE BROADLY, IF THE ASIA-PACIFIC ECONOMIES ARE TO SUSTAIN THEIR GROWTH, JAPAN'S MARKETS FOR GOODS AND INVESTMENT MUST BE MORE ACCESSIBLE TO FOREIGN FIRMS. THE RAPIDLY EXPANDING ECONOMIES OF ASIA--COUNTRIES LIKE MALAYSIA, TAIWAN, INDONESIA, AND, OF COURSE, CHINA--NEED OPEN MARKETS IN WHICH TO SELL THEIR GOODS.

JAPAN FACES A SIMILAR CHALLENGE AT THE MACROECONOMIC LEVEL. OVER THE PAST DECADE, JAPAN HAS EXPERIENCED CHRONIC CURRENT ACCOUNT SURPLUSES. WHAT THE ASIA-PACIFIC AND THE WORLD NEED NOW FROM JAPAN IS A SUSTAINED PERIOD OF DOMESTIC-DEMAND-LED GROWTH THAT WILL INCREASE IMPORTS AND BRING A SUBSTANTIAL REDUCTION IN JAPAN'S ENORMOUS GLOBAL CURRENT ACCOUNT SURPLUS THAT NOW STANDS AT MORE THAN \$130 BILLION. THESE SURPLUSES ARE A GLOBAL PROBLEM BECAUSE THEY HINDER THE EFFORTS OF OTHER COUNTRIES TO EXPAND THEIR ECONOMIES AND INCREASE EMPLOYMENT, THEREBY INVITING PRESSURES FOR PROTECTIONISM.

TO ADDRESS THESE ISSUES ON A BILATERAL BASIS, FIFTEEN MONTHS AGO, THE UNITED STATES AND JAPAN AGREED ON A "FRAMEWORK FOR A NEW ECONOMIC PARTNERSHIP." IN THIS "FRAMEWORK," OUR GOVERNMENT PROMISED TO REDUCE ITS FISCAL DEFICIT AND IMPROVE ITS INTERNATIONAL COMPETITIVENESS--AND WE HAVE ALREADY MADE PROGRESS ON BOTH.

FOR ITS PART, THE JAPANESE GOVERNMENT PROMISED TO IMPROVE MARKET ACCESS FOR COMPETITIVE GOODS AND SERVICES AND TO REDUCE ITS CHRONIC CURRENT-ACCOUNT SURPLUSES THROUGH DOMESTIC DEMAND-LED ECONOMIC GROWTH. WHILE WE HAVE REACHED A NUMBER OF IMPORTANT AGREEMENTS ON CONSTRUCTION, MOBILE PHONES, AND INTELLECTUAL PROPERTY RIGHTS; WE HAVE YET TO CONCLUDE AGREEMENTS IN THE PRIORITY AREAS OF THE FRAMEWORK: GOVERNMENT PROCUREMENT, INSURANCE, AND AUTO AND AUTOPARTS. AT THE SAME TIME, JAPAN'S GLOBAL SURPLUS HAS NOT DECLINED AS DOMESTIC STIMULATION EFFORTS HAVE LAGGED.

AS WE FACE DEADLINES UNDER OUR TRADE LAWS AT THE END OF THIS MONTH, WE HOPE THAT WE WILL MAKE PROGRESS ON THE FRAMEWORK. OUR COMPETITIVE FIRMS NEED EQUITABLE ACCESS TO JAPAN, AS DO THE FIRMS OF OTHER NATIONS. AND, AS MANY JAPANESE THEMSELVES ARE POINTING OUT, IT IS IN JAPAN'S OWN NATIONAL INTEREST TO EMBRACE MARKET-OPENING REFORMS. THEY WOULD STRENGTHEN ITS DOMESTIC ECONOMY AND IMPROVE LIVING STANDARDS BY EXPANDING CONSUMER CHOICE AND LOWERING THE HIGH PRICES THAT CURRENTLY PREVAIL IN JAPAN.

WE MUST REMEMBER THAT ENHANCING PROSPERITY DOES NOT SIMPLY MEAN ECONOMIC GROWTH. IT ALSO MEANS IMPROVING THE QUALITY OF LIFE THROUGH PRESERVING OUR ENVIRONMENT, IMPROVING THE HEALTH OF OUR CITIZENS, ADDRESSING THE POPULATION ISSUE, AND ADVANCING THE FRONTIERS OF

SCIENCE. THE UNITED STATES AND JAPAN, UNDER OUR AGENDA FOR GLOBAL COOPERATION, ARE WORKING VIGOROUSLY ON ALL OF THESE ISSUES, BOTH BILATERALLY AND IN MULTILATERAL FORA, INCLUDING APEC. WITH THE U.S. AND JAPAN IN THE LEAD, THERE IS A TREMENDOUS OPPORTUNITY TO EXPAND REGIONAL COOPERATION ON THESE TRANSNATIONAL PROBLEMS.

THE THIRD CHALLENGE FOR BUILDING A NEW PACIFIC COMMUNITY IS TO EXPAND THE BOUNDARIES OF FREEDOM AND DEMOCRACY.

THESE ARE NOT ONLY IMPORTANT VALUES IN THEIR OWN RIGHT.
THEY ARE ALSO IMPORTANT TO PEACE AND ECONOMIC PROGRESS -DEMOCRATIC NATIONS TEND TO SETTLE THEIR DISAGREEMENTS WITHOUT
RESORT TO WAR AND FREE PEOPLE CONTRIBUTE MORE TO THE PRODUCTIVITY
AND CREATIVITY OF THEIR SOCIETIES AND OF THE WORLD AS A WHOLE.

WHILE SOME SUGGEST THAT THERE IS AN "ASIAN" VERSION OF HUMAN RIGHTS, NEITHER THE U.S. NOR JAPAN SUBSCRIBE TO THIS THESIS. WE BOTH ARE SIGNATORIES TO THE VIENNA DECLARATION OF 1993, WHICH REJECTS THE NOTION THAT HUMAN RIGHTS ARE RELATIVE AND WHICH REAFFIRMS THE UNIVERSAL NATURE OF THESE RIGHTS. WE BOTH WORK IN OUR OWN WAYS TO ADVANCE DEMOCRACY AND INDIVIDUAL FREEDOM IN EAST ASIA AND THROUGHOUT THE WORLD.

NO ONE EXPECTS DEMOCRACY IN ASIAN COUNTRIES TO LOOK EXACTLY LIKE DEMOCRACY IN THE UNITED STATES, OR BRITAIN, OR FRANCE. WE NEED TO BE RESPECTFUL OF THE DIFFERENT HISTORIES, POLITICAL SYSTEMS AND CULTURES IN ASIA. OUR MESSAGE IS NOT THAT EVERYONE MUST COPY THE AMERICAN SYSTEM. INDEED, WE HAVE SOMETHING TO LEARN FROM THE EAST ASIAN EMPHASIS ON HARMONY AND SOCIETAL INTERESTS. BUT WE HAVE AN OBLIGATION TO SPEAK OUT WHEN BASIC HUMAN VALUES ARE INVOLVED. TYING OUR HUMAN RIGHTS POLICIES TO MOST FAVORED NATION TRADE STATUS PROVED TO BE COUNTERPRODUCTIVE WITH CHINA. BUT I HOPE WE DO NOT "OVERLEARN" THE LESSON FROM THAT EXPERIENCE.

IT CANNOT BE SAID THAT VIGOROUS SUPPORT FOR HUMAN RIGHTS IS NAIVE AND INEFFECTIVE. ASK NELSON MANDELA AND THE PEOPLE OF SOUTH AFRICA...ASK THE CITIZENS OF THE PHILIPPINES...ASK THE PEOPLE OF RUSSIA AND EASTERN EUROPE...ASK THE ARGENTINEANS AND THE CHILEANS. ASK THEM -- AND MILLIONS OF OTHERS YEARNING FOR FREEDOM -- IF THEY WANT AMERICA TO BE HEARD ON BEHALF OF HUMAN LIBERTY. WE MUST NOT MUFFLE THIS POWERFUL AMERICAN MESSAGE IN ASIA OR ANYWHERE ELSE.

NO COUNTRY SPEAKS WITH GREATER CREDIBILITY AND AUTHORITY ON HUMAN RIGHTS THAN WE DO. THE STRENGTH OF AMERICAN IDEALS AND VALUES AND THE CREATIVITY AND VIBRANCY OF OUR SOCIETY CONTINUES TO BE A BEACON TO THE PEOPLE OF EAST ASIA AND TO PEOPLE THROUGHOUT THE WORLD. HOWEVER, TO PRESERVE OUR MORAL AUTHORITY, A PRICELESS ASSET, WE MUST DO A BETTER JOB OF PUTTING OUR OWN SOCIETY IN ORDER.

CRIMINAL VIOLENCE IS A TERRIBLE AND URGENT DOMESTIC ISSUE FOR AMERICANS. BUT, AFTER LIVING ABROAD FOR A YEAR, I CAN SEE THAT IT IS ALSO BECOMING AN IMPORTANT INTERNATIONAL ISSUE FOR US. THE MURDER LAST SPRING OF TWO JAPANESE EXCHANGE STUDENTS IN CALIFORNIA, FOLLOWING THE SHOOTING DEATH OF ANOTHER JAPANESE STUDENT IN 1992 IN LOUISIANA, HAS SEVERELY DAMAGED THE IMAGE OF AMERICA IN JAPAN. IN MY TALKS WITH YOUNG JAPANESE WHO OTHERWISE FIND THE AMERICAN EXAMPLE APPEALING, I HEAR THEM OFTEN EXPRESS FEAR ABOUT COMING HERE AND DOUBTS ABOUT A NATION THAT PERMITS VIOLENCE ON A SCALE UNKNOWN IN THEIR OWN COUNTRY.

I AM OLD ENOUGH TO REMEMBER WHEN OUR NATION'S MORAL AUTHORITY WAS UNDERMINED BY THE FAILURE TO ACCORD EQUAL TREATMENT OT ALL OF OUR CITIZENS BASED ON RACE. THE ADOPTION OF CIVIL RIGHTS LEGISLATION VASTLY ENHANCED OUR POTENTIAL FOR LEADERSHIP THROUGHOUT THE WORLD. TODAY, OUR ABILITY TO LEAD IS SERIOUSLY HAMPERED BY THE WIDELY-HELD PERCEPTION THAT AMERICA IS UNSAFE AND SOMEHOW FALLING APART AS A SOCIETY. IT IS A GROWING IMPEDIMENT TO OUR LEADERSHIP IN THE WORLD.

THE UNITED STATES MUST BE STRONG AT HOME IN ORDER TO BE SECURE ABROAD. OUR FOREIGN POLICY IN ASIA BEGINS RIGHT HERE IN OUR OWN COMMUNITIES -- BY STRENGTHENING OUR FAMILIES, EDUCATING OUR CHILDREN, REDUCING OUR BUDGET DEFICIT AND IMPROVING THE PRODUCTIVITY OF OUR WORKERS AND INDUSTRIES.

I HOPE MY MESSAGE HAS BEEN CLEAR. AMERICA'S FUTURE IS INEXTRICABLY TIED TO ASIA. TO SECURE THIS FUTURE WE MUST CONTINUE TO BE FULLY ENGAGE IN THE REGION - MILITARILY, ECONOMICALLY, POLITICALLY, AND MORALLY. WE MUST WORK CLOSELY WITH ALL NATIONS OF THE REGION BUT PARTICULARLY WITH JAPAN, OUR GREAT ALLY. ONLY BY FOLLOWING THIS COURSE CAN WE BUILD FOR OUR GRANDCHILDREN A NEW PACIFIC COMMUNITY THAT IS PROSPEROUS AND PEACEFUL AND REFLECTS OUR VALUES.

So we were all very hopeful that Mr. Clinton just might make that very important decision.

And of course, Mr. Mondale, you served during the Carter administration and looked to Asia, seeking new relations between America and Asia. I believe that it was in January 1980, that I, as Prime Minister, was able to welcome you as Vice President.

With all this we were very hopeful that Mr. Clinton, with his fresh, new vision, might just make this appointment and of course we all knew that as the Vice President of the most important country in the world, if you did come to Japan, it would mean so much to Asia, indeed to the world. It did happen and we are all so very happy to welcome you.

Your appointment here, Mr. Ambassador, is good not only for our bilateral relationship, but also for Asia, and I am convinced for the world. Under your guidance, I am sure that Japan will participate globally or play a new global role. Please enjoy the kindness of our people and our four seasons. We wish that you may be happy here.

Thank you very much.

### REMARKS

Walter F. Mondale
 U.S. Ambassador to Japan

Mr. Watanabe, thank you so much for your very kind comments.

To my old friend, Prime Minister Fukuda, thank you for your wonderful remarks.

Both Joan and I are thrilled to be here tonight and honored to be your guests knowing what a remarkable organization this is and all the wonderful things that have

been accomplished by you over the years.

I especially want to thank Mr. Fukuda for his kind words. When I was a brand new "green", I mean "green" Vice President, I came to Tokyo in January of 1976 and I was supposed to initiate new relationships between Japan and the United States on behalf of our new administration. The difficulty was I didn't know a darned thing about it. Mr. Fukuda, who was the Prime Minister, received me. He was kind to me. He made me look good. I left feeling like I was a statesman. We've been friends ever since. The first letter of congratulations I received from Japan when I was appointed Ambassador was from Mr. Fukuda, and I will never forget it. Thank you for your kindness.

Mrs. Fukuda, Ambassador and Mrs. Yasukawa we remember from Washington days, Mrs. Togo, who we're so glad to see here this evening, and if I may introduce our new Deputy Chief of Mission Rust Deming and Kris Deming who are just on board. We are so glad that they

are with us and helping.

We are honored, and I am honored, to accept the Prime Minister's kind invitation to serve as Honorary President

of the America-Japan Society.

I look forward to working with you. I notice that you have a wide range of excellent activities. I was impressed by your speakers program. In two weeks you are going to hear from Joan Mondale, and I hear excellent things about her. I hear she's a good speaker.

And of course, I also look forward to working with the GARIOA/Fulbright Alumni Program in Japan.

During the reception I was impressed by the number of people who came up and shook my hand and said they had been Fulbright scholars here and there over the years. I know it's not good manners, but would the people who are Fulbright scholars raise your hands. I want to get an idea of how many we've got here. I understand there are over 5,000 Fulbright scholarship alumni in Japan today and we see many of them here this evening.

I believe in many ways the Fulbright Program is one of the most remarkable public initiatives that I have known in my lifetime. At the end of World War II, when everybody was exhausted and full of despair, this young Senator got the idea of taking unused war equipment, trucks and the rest, selling it and using that money to help young students from all over the world come to the United States and go abroad to learn about each other, to learn skills and talents to become professionals in all kinds of needed fields. That program now has gone on uninterruptedly for 48 years, and over 100,000 human beings have had their lives opened up, have become important, effective citizens of the world because of this opportunity.

I heard Senator Fulbright a year or two ago, Mr. Prime Minister, say that the cost of this program since it was adopted in 1945, until then, was half the cost of one nuclear submarine. I think it tells something about what's really important in life and where we should put our money and our spirit. And that's what you're doing, that's what the Fulbright Program is doing. And it deserves enormous respect for what it has done for relations between the United States and Japan.

The fact of it is that the relationship between our two countries in almost every respect is one of the great success stories in the past half century. In just a short time, once bitter enemies have become allies, partners and friends, and, as we see and feel here tonight, our destinies have become inseparable.

Nonetheless, the reality of our interdependence has outpaced our mutual understanding as people. Language, distance, and cultural differences still undermine understanding. We must continue to do more in this field.

I was shocked to learn shortly after I was picked to be ambassador that about 43,000 young Japanese students study in the United States this year. We are glad they are there, and we wish we had 86,000.

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At the same time, only 1,300 American students are studying in universities and institutions of learning in Japan. That means there are 32 Japanese students in the United States for each one American student here.

If this is our most important relationship on earth, and I believe there is no question that the U.S. and Japanese relationship is the most important on earth, we must do something about increasing the number of young Americans who come here to learn the language and who see the Japanese person-to-person rather than through caricature.

I agree with what Senator Fulbright once said, and I quote: "Educational exchange can turn nations into people, contributing as no other form of communications can to the humanizing of international relations."

As was mentioned earlier, from time to time there will be differences between our countries. It is inevitable. We are, after all, independent democracies responding to the will of our own people. That means we will have those disagreements, and we do no good by ignoring them, but we cannot afford to allow our relationship to drift toward alienation and antagonism. While we differ from time to time, we must do so as civilized, dignified human beings and work together in the spirit of statesmanship to manage our conflicts and to rise above them when our common interests take priority, as they most often will.

As we all know, there are abundant opportunities for our two nations and for our peoples to work together. If we do work together, as we are today, then practically every problem in the world will get better or, at least, become much easier to handle. But if, through utter foolishness, our relationship deterioriates. If we see each other not as fellow human beings but through those caricatures, then every one of these problems will get worse, or become that much harder, or even impossible, to solve.

Moreover, it's not just a question of the United States and Japan getting along. These two great nations, in many ways the two most impressive on earth, I believe, have a responsibility to become partners and to work together toward the solution of the problems around the world. We are beginning to do that now, and I hope we build on that relationship.

I am optimistic about the future of our two countries. We have already accomplished so much through active cooperation and partnership. If we continue to work together, we will be able to accomplish even more, and when we do it, it will be the work of these organizations here tonight, and it will be you who deserve so much of the credit.

Thank you.

### NEW YEAR'S RECEPTION



Three hundred and fifty three members of the Society and their guests exchange best wishes of happiness in the New Year of 1994.

The America-Japan Society ushered in the New Year with a gala reception on January 14, 1994, in Eminence Hall of the Keio Plaza Hotel. Members and guests were welcomed in the receiving line by AJS Honorary Vice-

President and Mrs. Takeso Shimoda, Honorary Vice-President and Mrs. Nobuo Matsunaga and AJS Vice-Presidents Tadayoshi Yamada and James Adachi.

Eminence Hall looked festive with magnificent floral

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indicators would be. Instead, they have tried to renegotiate the basic terms of the original agreement. This was simply unacceptable.

That is how we arrived at last week's impasse in Washington.

Of course, this outcome is disappointing. It is frustrating, too, because many people — Japanese and Americans alike — hoped that the Framework might introduce a new era of economic partnership and cooperation between our two nations.

But I am not here to do a post-mortem on the summit — or on the U.S.-Japan relationship.

The fundamental reality is that, despite our economic disagreements, the United States and Japan have diplomatic, security and political relations that are alive and perfectly healthy. Moreover, the profound economic interdependence between our two countries remains a basic fact of life.

It is still important to recall that the relationship between Japan and the United States is one of the most remarkable international success stories of the past half century. We are allies, partners and friends.

504 June 6 Partners

In the security area, this partnership could not be any better. Our alliance with Japan is the foundation of stability throughout the Asia-Pacific region. The Cold War is over, but there are still many security threats. Our tensions with North Korea are only the latest reminder.

Perhaps better than anyone, the people of Hawaii understand how important it is to have stability in this region. Our Pacific Command is headquartered here under the superb leadership of Admiral Charles Larson. Earlier today, I visited "CINCPAC" and heard excellent briefings on our security posture and capabilities in the region.

The bottom line is that we remain fully committed to our security arrangements in the Asia-Pacific region; every country here — with the exception of North Korea — has told us that they want us to stay. And so, while we are reducing our force levels elsewhere in the world, we have made it clear that our presence in Japan and South Korea and Hawaii will remain strong. As a result, we will soon have as many forces in the Asia-Pacific region as we do in Europe — a dramatic shift from only a few years ago.

On the political front, our two-countries are working very well together in the United Nations and other multilateral institutions — including the G-7, World Bank and OECD.

Framework talks, the two countries have discussed such issues of our gutual concern as global environment and population and HIV/AIDS pandemic. Japan will mobilize approximately \$3 billion over the next seven years to bear on urgent matters of growing global population and HIV/AIDS pandemic. The President and I are fully committed to the cooperation in this area.

8. In the past, Japan and the U.S. sometimes reached ambiguous agreements which whitewashed the problems of the time, but often became sources of later misunderstandings between our two countries. Now I firmly believe that our relationship in this new era is maturing into a stage where each of us respect and have confidence in the judgements of the other; where each of us make utmost efforts to tackle the issues that they themselves responsibly understand and identify, but at the same time frankly admit what we can and what we cannot do despite such best efforts.

Since I came into the office, I have sought to realize a genuine "reinstatement of politics" in the management of the critical process of politics, economics, and administration. As a fellow politician who is /trying to bring about reforms in the social and political process, I highly admire and respect the leadership exhibited by President Clinton in his administration on both domestic and international fronts, including reduction of budget deficit and leadership exercised in bringing NAFTA(North American Free Trade Agreement) to a successful conclusion and in opening a new frontier for APEC(Asia Pacific Economic Cooperation). I am firmly convinced that the reform efforts that President Clinton and I are undertaking would reinforce our mutual relationship and /lead to the strengthening of the vital Japan-U.S. relationship.

Le Pesqueta les El (END)

Autos and Auto Parts. Import market share in motor vehicles for the industrial economies ranges from 35 to 56 percent. In Japan, it is about three percent. Import market shares for auto parts for these same countries range from 16 to 60 percent. The comparable share in Japan is two percent. Cars 21 Belle ; 700 Mills

We see a persistent and repeated pattern: Regardless of the country of origin, foreign goods and services which are competitive everywhere else in the world run into overwhelming barriers, formal and informal, in Japan. Those who suffer the most from these barriers are the people of Japan -- who must literally "pay the price" for an overregulated, closed economy which deprives them of the opportunity to buy the most competitive goods and services at the lowest prices.



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