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THE REUTER TRANSCRIPT REPORT

PRESS CONFERENCE
WITH WALTER MONDALE, US AMBASSADOR TO JAPAN

THE STATE DEPARTMENT
WASHINGTON, DC

FRIDAY, AUGUST 13, 1993

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TOM DONILON (ASSISTANT SECRETARY OF STATE, BUREAU OF PUBLIC AFFAIRS): Good morning. I'm Tom Donilon, assistant secretary of state for public affairs, and it is my great pleasure today to introduce to this press conference, his first as the United States ambassador to Japan, my good friend, Vice President Walter Mondale. The vice president and I go back many years. We spent probably too many years on the road traveling around the United States of America in former incarnations.

This administration, as most of you know who cover the State Department, has placed the highest priority on relations with Asia. The president's first trip overseas as president was to Asia, to Japan, and Korea earlier this year, where he also, in addition to attending the G-7 summit in Tokyo, delivered two major addresses on our economic relations with Asia at Japan and our security relations with Asia at the Korean National Assembly.

Secretary of State Christopher has made three trips to Asia in his first six months as secretary of state. And this is also

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underscored by the president's appointment of Vice President Mondale as ambassador to Japan. He is one of our foremost Americans and we

think that his appointment underscores the importance that the United States places on its relationship with Japan. There is no more important bilateral relationship that the United States has. And it gives me great pleasure to introduce him to you all today. I'll also introduce Mrs. Mondale, Joan Mondale, who is a good and old friend of mine who will be representing us as well in Japan. And it's my great pleasure to introduce -- what do we call you now?

AMB. MONDALE: (Off mike.) (Laughter.)

MR. DONILON: (Laughing) That's what you used to insist that I call you all for the last 15 years!

AMB. MONDALE: Mr. Ambassador.

MR. DONILON: Ambassador Walter Mondale, the United States ambassador to Japan.

AMB. MONDALE: Thank you very much, Tom, for that kind introduction and for your personal presence here today. Tom and I were in public and political life together for many years. He's now at the top of the State Department working closely with Secretary Christopher, and it's nice to have him here. And he's one of the finest talents I think I've seen in a long, long time. So thank you very much, Tom.

He was the chief strategist in my campaign for '84. I handled Minnesota and the District of Columbia. He handled the rest of the country for me. (Laughter.)

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x x x (Laughter.)

Earlier this morning, I took the oath of office as our ambassador to Japan. And next month, I will arrive in Tokyo to assume my duties there. Both Joan and I are excited about this. We're enthusiastic about this opportunity to live and work in that impressive country with her wonderful people, and we look forward to making many new friends there. I am honored that I can serve the president of the United States and the American people in this most important diplomatic role.

We say it over and again, but I think it bears repeating. As the president has said, there is no more important bilateral relationship in the world than that which exists between the United States and Japan. We are strategic allies and essential political parties, and our economic destinies are inseparable. While the overall state of our relationship is solid, there are, of course, tensions between us.

In particular, I think our most pressing need at this time is to correct the imbalance in our economic relationship. This is important in its right. It is also important because constant trade friction weakens public support in the United States and in Japan for our alliance and it threatens our ability to cooperate on the broader agenda.

Fortunately, in our nation, we are now beginning to take the difficult and long-needed steps to solve our own economic problems. The president has already shown that he is determined to reduce the deficit and revitalize the American economy, something that our friends in Japan and in Europe have been pleading with us to do for over 12 years; we're now doing it. With his leadership, I believe we may be at a historic turning point in the political and economic life of our nation as we begin to put our own domestic house in order.

In turn, we look to Japan to address its own economic agenda with equal vigor, including help with promoting economic global growth and removing both formal and informal barriers to the flow of goods, services, and investment. On these issues, I believe we saw some important and very positive commitments come out of last month's G-7 summit and the bilateral economic framework that was agreed upon there. I hope that we can build even further on the success of these efforts.

I believe these developments reflect an emerging new international reality in which many traditional priorities are being reconsidered and institutional arrangements reshaped. Just as many

other nations are changing with the end of the Cold War, so too are

the United States and Japan.

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During just these past last nine months, the voters in both of our nations have elected new governments. In America we have a new administration that was elected on the promise of change, while in Japan a new coalition government was formed in the past week with its own themes of change. I am confident and optimistic that our two governments will be able to cooperate and work together.

In this spirit, as ambassador I will try to both advance the interests of the United States in our relationship with Japan and encourage cooperation on a broad range of regional, bilateral, and global issues. I will also try to promote greater mutual understanding between the people and governments of our two countries.

Precisely because our two nations share so many interests and values in common, we cannot afford to let misunderstanding and miscommunications push us apart. My hope is that in the years ahead our relationship with Japan can move toward the shared benefits and responsibilities which befit our two great nations and our leadership in the world. As you've heard me say before, if the United States and Japan can work together -- and I know we can -- then practically every problem in the world will be better or at least will be easier to handle. But if our relationship deteriorates, then every one of these problems will get worse or become that much harder or even impossible to solve.

I will do my best to help ensure that our special partnership with Japan continues to thrive, and I'm grateful to the president, the Congress, and the American people for the support they have shown me as I begin my responsibilities as ambassador. As I said before, both Joan and I really look forward to this new assignment.

I'll be glad to take questions.

Q Mr. Ambassador, I understand that you can't get into personalities, but I'm asking about the process. To what extent do you think the change, the weather change in Japanese politics was caused or helped to cause by the emphasis in this administration for transparency and the spread of democracy?

AMB. MONDALE: I -- I don't know. The one thing that I've said and I'd like to repeat here is that I think what we see in Japan is further evidence that they are a mature, vibrant democracy. They have had a major campaign with major issues. They have had a clash between the political parties. They have talked deeply about reform and other

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matters, and they have come through this with a new government. They

have -- they are now in place, and I think this is evidence, if any were needed, that the United States is dealing with a mature democracy that can handle such matters and carry on.

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And I think that is to be strongly congratulated.

Q Maybe I can put it another way, and maybe you could answer it this way. Do you think the change in Japan would have happened in this way and as soon if there had not been a change in administrations in this country?

AMB. MONDALE: I believe that what happened in Japan is essentially a Japanese phenomenon responding to Japanese issues. We read each other's newspapers and watch each other's television, to be sure. So, there may be some overlap. I am not in a position to judge that. But I think that fundamentally this is something that occurred within the political life of Japan.

Q Earlier, you supported some pretty tough legislative steps to deal with the trade imbalance, steps that some people called protectionist. Do any of those seem relevant today?

AMB. MONDALE: I don't think I've ever been a protectionist. I've always been for opening up the trading system and I feel that way today. I think one of the great dangers down the road would be a world which breaks -- disintegrates into beggar-thy-neighbor trading blocs. History teaches us some pretty scary lessons about what happens. When we open up our markets, when we allow our capital flows to flow efficiently, when investors can invest directly in another nation and the general rules of openness are complied with, I think it produces wealth in all nations and it produces growth, produces jobs, produces interdependence, and it produces peace. That is my objective. That is the president's objective, which I'll be supporting.

Now, you covered me in that campaign, and there was a phenomenon there that some people forget, but we had become what some scholars called a bicoastal economy. And what had happened was that the massive deficits produced under the economic policies of the early '80s had the effect, without going into the reasons, of driving up the value of the dollar by 50 or 60 or 70 percent against the currencies of our major trading partners, including Japan. And we went from almost a 15-year continuous trade surplus in the United States, current account surplus, into a dramatic dive. And basic industry was being literally cut down like a swath across this nation.

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For the first time, American agriculture exports actually went into deficit -- an unheard of phenomenon.

And the big argument I made in that campaign is that we had to get our own deficit, fiscally irresponsible policies, under control so that the dollar could reach a more realistic level so we could begin to compete again on a sound economic basis. That was the thrust. And time and time -- I don't think I was able to explain it to the American people.

But I think we now know that the cost of those policies, which our friends in Europe and Japan repeatedly pleaded with us to change, had a devastating impact upon the competitive posture of American business. We're just getting over it now. And that was the fundamental thrust. That's why I came out for a tax increase in 1984 and why I made the center of my campaign the reduction of the American deficit, because I saw it as a perilous policy that would undermine America's capacity to trade and to lead in the world.

Q So is there no longer any role for such things as domestic content --

AMB. MONDALE: I think that the current legislative stature of the American laws are pretty good.

Q Mr. Ambassador?

AMB. MONDALE: Yeah, okay, I'm sorry.

Q Mr. Ambassador, following up on that, as you know, there has been some fluctuation in the dollar and the yen just recently. What are your thoughts on that?

AMB. MONDALE: I don't have any thoughts on it. I've been told by the secretary of treasury I don't know anything about it. (Laughter.)

Q But seriously, as you mentioned, it is a serious issue, though.

AMB. MONDALE: But I -- this is not my department.

Q Ambassador, as you take on this job, you don't speak the language --

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AMB. MONDALE: That's right.

Q -- you have no specific expertise in Japanese life or culture, you are not a career diplomat. You have several strikes against you. How are you going to be a success at this job?

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AMB. MONDALE: Yeah. I think some of our -- I wouldn't say I'm in their class, but I think some of our very best ambassadors like Mike Mansfield came from the same background: they were political leaders in our nation. And they were not -- while he was not a Japanese scholar, he had spent much of his life being concerned about our relationship with Japan and the rest of the world.

I am -- I have been a political leader in this country. I don't go as Japan specialist, but I've spent a lot of my life being interested in US-Japanese relations -- as a senator, as a vice president, as a candidate for president, and later in private life. I feel very strong. This is -- this is the job I wanted because I thought this is where America's -- a preeminent interest of America is to be found: in improved US-Japanese relations.

I will be staffed with a staff of superb Japanese specialists. The -- our embassy in Japan ~~is~~ is considered one of the finest in the world. Rust Deming will be my deputy chief of mission. He's here. He's an old hand, fluent, expert specialist, and I've got that kind of backing.

I think that a lot of the US-Japan policy requires work across the board, across -- across the -- let's say across the Pacific, working with our leaders here in Washington and in Congress as well as working with their leaders there. This is a political assignment, a policy assignment, and I've worked with both all my life.

Q During the '84 campaign, you were -- you were quoted as saying in reference to the closed nature of the Japanese market that if you -- if you try to sell an American car in Japan, you've got to take the United States Army with you when you land at the dock, and further that the United States is producing many various products, and the Japanese don't seem to buy them. What my question is, has your perception of the Japanese market or the nature of it changed since then?

AMB. MONDALE: Well, as you know, this is the purpose for the framework agreement that was reached in Tokyo in July, and one of the elements in it deals with autos and auto parts, and it sets up a basket for the negotiation of progress. This is an agreement in which the Japanese government itself agreed that more openness was required, that more stimulation of the economy was required, that the -- in effect, that the present imbalance was unsustainable.

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So, now, these -- this is a long time since that campaign, and you'd have to put it in the context of what I was saying then and the very severe trade problems we were having around the world at that time. But I think that one of the hopeful things about 1993 is that both governments in solemn agreement identified the problem and set in place a process of working not just on autos, but across the board.

Q I -- (inaudible) -- two things that you already said about what (happened with ?) the G-7 and all that. Do you have any other -- coming down from the generalities to the specifics -- any other piece of legislation or initiatives that you have in mind that you'll be looking at for furthering relations?

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AMB. MONDALE: Yeah, one of the things that I brought up in my testimony -- and I'm glad you asked the question because I'd like to repeat it -- there's another big imbalance and that's in students. There's about 40,000 Japanese students in the United States at any time, and we're glad to have them. I wish there were more. There's only about 1,300 American students in Japan. There are several groups working on it -- the Fulbright Association and some. But that is, nevertheless, the case. And I'm going to try to work with anybody who will work with me to try to increase the number of American students attending school in Japan. I think this human contact is the most important thing we do. That's where we really go beyond the cold structure of geostrategic politics to the human level. And that's -- I feel very strongly.

But there are a lot of other things we need to do. We need to continue to work on the US-Japan strategic and political relationship. The president, in his address both in Tokyo and in Seoul, was very clear to reassert America's commitment to our treaties there and to the nuclear umbrella and to a vigorous cooperative relationship between their forces and ours. As you know, there are -- while the Cold War is over, there is still plenty of reason why the US and Japan must work together in that way.

And the other thing is we're trying to broaden the focus from -- the bilateral relationship is the key, the core, the basis, but we're trying to broaden the focus to include a more vigorous approach to regional mutual concerns and to concerns that cross the whole Asian Pacific region through APEC. So I'll be working on all those matters while I'm there, and others we didn't discuss.

Q Would you like to see Japanese troops in UN peacekeeping operations?

AMB. MONDALE: We favor the use of Japanese peacekeeping forces. We applaud their presence in Cambodia where they perform there under a Japanese commander. And at least up until this point, it looks like it's been more successful than people would have expected. They also have some troops in Mozambique; they went some there. Now, under Japanese law, as I understand it, Japanese troops cannot be put in locations where combat is likely. So that -- we'll have to live with that and I think we accept that. What we want and what we support is a pattern of the kind that I've just described.

Q Mr. Ambassador, just on a personal note, I wonder if you've had a chance to read the novel, Rising Sun, or see the movie, and what
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your thoughts might be as far as the American attitude towards Japan

based on the popularity of this book.

AMB. MONDALE: I've not read it. I -- one of things I'm going to try to do is to emphasize the common -- our common situation as fellow human beings and the need to constantly expand and improve the respect we have for each other. To do otherwise is, I think, silly and dangerous.

In many respects we are similar. We are both strong democracies. We both have unbelievably productive people and economies. We are signators to a common mutual security treaty. We cooperate with each other all over the world, in the World Bank, in the United Nations and all kinds of regional organizations. We have businesses going back and forth that cooperate with each other with hundreds of thousands of contacts a day. We have students that work together, we have scholars that work together, we have artists that work together. When American cultural institutions come over, the orchestras and the rest, they get enormous crowds responding, and the same in our direction. And I want to keep building on this profound human relationship that is so important to all of us.

Q As a long-time advocate of the non-proliferation of nuclear weapons. How do you see the current Japanese program for plutonium fuel --

AMB. MONDALE: I'll tell you, I'm -- I want to hold some answers till I get over there and get on the ground and have a chance to talk with the new government, until I have a chance to go through some of the details of issues like that.

We believe (ie) in the Nuclear Non-Proliferation Treaty. We hope that the signators on it now will extend their support of the treaty. We hope that North Korea will rejoin the regime and agree on inspections. As you know, the president has agreed to cease the testing of nuclear weapons and is trying to make certain that we are seen in the world as a responsible performer within the meaning of that treaty, to improve our moral authority when we ask others to trust that regime.

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We have -- the Japanese have been long-standing supporters of the so-called ''three nos'' policy, to not use or deploy or produce weapons. I think that is still very strongly the policy in Japan. The Japanese, more than any other people on earth, have reason to know the seriousness of this issue. But to go beyond that now, I think I need to wait till I get there.

Yes?

Q The new Japanese Prime Minister Hosokawa is a -- (inaudible) -- but still what he thinks on many different issues, including foreign policy, is kind of blurred, not clear. But you had a very famous phrase back in '84 to Mr. Hart, ''Where's the beef?''

AMB. MONDALE: (Laughs.)

Q Do you think that can be applied to Mr. Hosokawa again?

AMB. MONDALE: No. (Laughter.) You know, we have a new government in Japan. They are now in the process of developing their policies. They have not started yet the diplomatic contacts. I read where he's thinking of going to the United Nations session perhaps in late September, which would be his first visit overseas as prime minister. He will undoubtedly be meeting with lots of leaders if he comes over. And I think you've got to give a new government a decent interval to develop and feel out their policies. As a matter of fact, I think it's in everyone's interests that they don't panic and try to get every issue announced overnight. They should take the time they need to feel sure about the new policies. And we certainly should accord them that.

Q What role do you see yourself playing in the framework trade talks as the ambassador? Closely involved or --

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AMB. MONDALE: Yes and no. The structure for the actual negotiations is in place, the special trade representative, the presidential economic councilor -- (inaudible) -- and so on. I think you're familiar with that. My role, as I understand it, is to advise and consult with them, to send them reports on how I think things are going. I know every one of them. They're old friends of mine. I intend to be involved with them in a very strong and vigorous way. But the actual negotiations of these matters will be conducted by that structure.

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Q (Off mike.)

AMB. MONDALE: I anticipated some of these questions. I really want to get on the ground over there and I want to have a chance to talk with the leadership of your new government before I try to answer questions like that.

Q Could I just go back to something -- (inaudible) -- on the United Nations? How soon would you expect to see Japan become a permanent member of the Security Council?

AMB. MONDALE: I don't think that you can say yet. I know that we're strongly for it. The preliminary discussions are underway. I went to the UN and spent a day looking into this issue, and I talked to our permanent delegate and I also talked to the Japanese ambassador there. We are firmly committed to it, but I couldn't give you a time when it's likely to occur. I think that that would be unwise at this point.

Q Well, would the 50th anniversary of the signing of the UN Charter be a logical --

AMB. MONDALE: I would rather not speculate because I just don't know. I tried to get an answer when I was up there, but I had the feeling that what are going on are early discussions about these matters. There's not a time certain or a formula or, you know, a target date in place yet. And I'd just as soon not speculate about that.

I'll take one more question.

Q Do you see any role for the United States as acting as a broker between Russia and Japan on the northern territories?

AMB. MONDALE: I think we can be helpful, but I don't think we are going to be an intermediary or an arbitrator. I don't think either country wants us to perform in that way. As you know, we support the Japanese claim for sovereignty over those islands, but we also want the Japanese and Russian relationship to move forward. And as you know, Japan has been quite forthcoming, despite this dispute, in supporting us in aid levels for Russia. So, this is one of the issues I'll be working on, but my understanding is that neither country wants us nor do we want to get into a position of being the mediator and the arbitrator.

Thank you very much, and we look forward to this new assignment.

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