

SPEECH
YOMIURI INTERNATIONAL ECONOMIC SOCIETY
MAY 20, 1994

**I AM HONORED TO JOIN YOU FOR THE 24TH
YOMIURI SYMPOSIUM ON THE INTERNATIONAL
ECONOMY.** — *Need to have*

*Mike Thorne Bar with
in Tokyo*

**I AM ALWAYS DELIGHTED TO RESPOND
POSITIVELY WHEN THE LARGEST NEWSPAPER
IN THE WORLD ASKS ME TO DO SOMETHING.
FOR SOME STRANGE REASON, AN AUDIENCE OF
TEN MILLION READERS MAKES AN OLD
POLITICIAN SIT UP AND TAKE NOTICE.**

BY COINCIDENCE, I HAD THE WONDERFUL
PRIVILEGE SEVERAL WEEKS AGO OF ATTENDING
A YOMIURI GIANTS BASEBALL GAME WITH MR.
TORU SHORIKI, THE OWNER. IT WAS FUN TO
SEE HOW THE GAME IS PLAYED IN JAPAN, AND
I WAS DELIGHTED TO FIND ^{old friend} DAN GLADDEN —
FORMERLY OF MY HOMETOWN MINNESOTA
TWINS — PLAYING FOR THE GIANTS.

*Gladden knows how to hit the
Ball; he also knows how to hit the
Catcher*
THE THEME OF THIS CONFERENCE, AS I
UNDERSTAND IT, IS THE IMPORTANCE OF
BUILDING "PLUS-SUM" RELATIONS AMONG THE
ECONOMIES OF THE WORLD, ESPECIALLY IN THE
ASIA-PACIFIC REGION.

**THE UNITED STATES IS NOW GIVING
UNPRECEDENTED ATTENTION TO THIS REGION.
AS A MATTER OF HISTORY AND GEOGRAPHY,
OF COURSE, THE UNITED STATES HAS BEEN A
PACIFIC NATION FROM OUR EARLIEST DAYS.
TODAY, NO REGION IN THE WORLD IS MORE
IMPORTANT TO THE UNITED STATES THAN
ASIA:**

**- FORTY PERCENT OF OUR TRADE IS IN THIS
REGION.**

**- ALMOST TWO AND A HALF MILLION
AMERICAN JOBS ARE DIRECTLY RELATED TO
OUR EXPORTS IN ASIA.**

**- BY THE YEAR 2000, IT IS ESTIMATED
THAT TRADE AND INVESTMENT FLOWS ACROSS
THE PACIFIC WILL BE DOUBLE THAT ACROSS
THE ATLANTIC.**

**IN THE YEARS AHEAD, THIS REGION WILL BE
THE WORLD'S CENTER OF ECONOMIC GROWTH,
TRADE, JOBS AND PROSPERITY.**

**FOR THE FIRST TIME, THE UNITED STATES
IS TRYING TO APPROACH ASIA NOT AS A
SERIES OF BILATERAL RELATIONSHIPS, ^{almost} BUT AS
A REGIONAL COMMUNITY.**

ECONOMIC INTEGRATION, THE INFORMATION REVOLUTION, THE SPREAD OF DEMOCRACY AND A GROWING AWARENESS OF THE NEED FOR REGIONAL ACTION ON GLOBAL ISSUES — ALL OF THESE PROVIDE A BASIS FOR BUILDING A GREATER AWARENESS OF COMMON INTERESTS AND PURPOSES AMONG THE ASIA-PACIFIC NATIONS.

LAST JULY, AT 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 ARE THE THREE PILLARS THAT WILL
SUPPORT A FUTURE OF "PLUS-SUM" RELATIONS
AMONG THE NATIONS OF THE ASIA-PACIFIC —
AND BETWEEN THIS REGION AND THE REST OF
THE WORLD.**

if they
~~**THESE THREE PILLARS ARE MUTUALLY**~~
REINFORCING:

**- SECURITY IS ESSENTIAL FOR ECONOMIC
DEVELOPMENT.**

**- ECONOMIC PROGRESS PROMOTES
DEMOCRATIC CHANGE.**

**- AND PROSPEROUS DEMOCRACIES MAKE
FOR PEACEFUL NEIGHBORS.**

**I WOULD LIKE TO BRIEFLY REVIEW EACH OF
THESE AREAS — AND EXPLAIN WHY I BELIEVE
THE PARTNERSHIP BETWEEN JAPAN AND THE
UNITED STATES IS ESSENTIAL TO THEIR
SUCCESS.**

**FIRST, THERE IS POLITICAL AND MILITARY
SECURITY.**

**THE COLD WAR IS OVER, BUT THIS REGION
IS BY NO MEANS FREE OF POTENTIAL CONFLICT.
ALL THREE MAJOR WARS IN MY LIFETIME WERE
FOUGHT IN THIS REGION.**

**IN DEALING WITH PRESENT AND FUTURE
SECURITY CHALLENGES, THE UNITED STATES
AND JAPAN WILL NEED TO CONTINUE OUR
ALLIANCE RELATIONSHIP AND OUR PATTERN OF
CLOSE CONSULTATION.**

**OUR ALLIANCE REMAINS THE FOUNDATION
OF STABILITY THROUGHOUT THE ASIA-PACIFIC
REGION. AND I CAN THINK OF NO AREA IN
WHICH OUR COOPERATION HAS BEEN CLOSER,
STRONGER AND MORE APPROPRIATE THAN IN
THE CASE OF NORTH KOREA.**

**ONE OF THE GREAT VIRTUES OF OUR
ALLIANCE HAS ALWAYS BEEN ITS
ADAPTABILITY. THE FACT THAT IT IS AS**

RELEVANT TODAY AS IT WAS IN THE MIDST OF THE COLD WAR SHOWS THE DEEP INTERDEPENDENCE OF AMERICAN AND JAPANESE NATIONAL INTERESTS.

THE PROCESS OF REGIONAL COOPERATION IN ASIA REMAINS MUCH LESS STRUCTURED THAN IN EUROPE. THERE IS NO EUROPEAN UNION, NO NATO, NO CSCE, REFLECTING THE COMPLEX HISTORY OF THIS REGION WITH ITS ECONOMIC, POLITICAL AND CULTURAL DIVERSITY. WE ARE BEGINNING TO BUILD SUCH INSTITUTIONS THROUGH APEC, THE ASEAN POST-MINISTERIAL CONFERENCE AND THE NORTHEAST ASIA SECURITY DIALOGUE. BUT THIS PROCESS WILL TAKE TIME.

**FOR THE FORESEEABLE FUTURE, THE
AMERICAN PRESENCE — BASED ON THE U.S.-
JAPAN SECURITY TREATY — WILL REMAIN
ESSENTIAL TO THE STABILITY AND
PROSPERITY OF THE REGION.**

**THE SECOND PILLAR SUPPORTING "PLUS-
SUM" RELATIONS IN ASIA IS FREEDOM AND
DEMOCRACY.**

**DEMOCRACY AND HUMAN RIGHTS ARE NOT
ONLY IMPORTANT VALUES IN THEIR OWN
RIGHT. THEY ARE ALSO IMPORTANT TO THE
PROSPECTS FOR PEACE BECAUSE DEMOCRATIC
NATIONS TEND TO SETTLE THEIR
DISAGREEMENTS WITHOUT RESORT TO WAR.**

AND THEY ARE IMPORTANT TO ECONOMIC PROGRESS BECAUSE PEOPLE LIVING IN FREE SOCIETIES CAN BETTER DEVELOP THEIR KNOWLEDGE AND TALENTS — AND, BY SO DOING, CONTRIBUTE MORE TO THE PRODUCTIVITY AND CREATIVITY OF THEIR SOCIETIES.

IN THIS RESPECT, JAPAN IS AN INSPIRING EXAMPLE FOR OTHER NATIONS IN THE REGION. THIS COUNTRY IS, AS EDWIN REISCHAUER *once* OBSERVED, "THE ONE GREAT EXTENSION OF DEMOCRACY THE WORLD HAS WITNESSED SINCE THE END OF WORLD WAR II HERE, BEFORE THE WAR, A SHALLOWLY-ROOTED, INCOMPLETE DEMOCRATIC SYSTEM WITHERED UNDER THE

HOT SUN OF MILITARISTIC NATIONALISM. BUT
NOW THIS NEW WORLD GIANT IS A
FLOURISHING, SMOOTHLY-OPERATING
DEMOCRATIC SYSTEM ARDENTLY SUPPORTED
BY VIRTUALLY THE WHOLE NATION."

WHILE AMERICA HELPED JAPAN MAKE THIS
TRANSITION, TO SUGGEST THAT DEMOCRACY
IN THIS NATION IS SIMPLY A "WESTERN
IMPORT" WOULD BE AN INJUSTICE TO THE
DEDICATED EFFORTS OF THE JAPANESE
PEOPLE.

NOBODY EXPECTS DEMOCRACY IN ASIAN
COUNTRIES TO LOOK EXACTLY LIKE
DEMOCRACY IN THE UNITED STATES, OR

BRITAIN, OR FRANCE. WE UNDERSTAND THAT DIFFERENT HISTORICAL AND CULTURAL REALITIES WILL LEAD TO DIFFERENT INSTITUTIONAL ARRANGEMENTS. IT IS A REMARKABLE COINCIDENCE, HOWEVER, THAT AUTHORITARIAN GOVERNMENTS SEEM TO BE THE ONES MOST EAGER TO PROTECT THEIR CITIZENS FROM THE SO-CALLED "CULTURAL IMPERIALISM" OF HUMAN RIGHTS.

WHEN PRESIDENT CARTER DECIDED TO MAKE HUMAN RIGHTS A PRIORITY OF OUR FOREIGN POLICY, WE WERE TOLD BY THE SELF-PROCLAIMED HARD-HEADED DEVOTEES OF REALPOLITIK THAT WE WERE BEING NAIVE, THAT WE DID NOT UNDERSTAND POWER, THAT

WE WERE GOING TO MESS UP THE WORLD. BUT
WE HAVE BEEN VINDICATED MANY TIMES OVER.

JUST ASK THE PEOPLE OF THE FORMER
SOVIET UNION, OF EASTERN EUROPE, OF CHILE,
OF THE PHILIPPINES, AND NOW — AT LAST AND
UNBELIEVABLY — THE PEOPLE OF SOUTH
AFRICA. ASK NELSON MANDELA. LESS THAN
FIVE YEARS AGO, HE WAS IN PRISON — AND
HAD BEEN THERE FOR MORE THAN TWO
DECADES. TODAY, HE IS THE PRESIDENT OF
SOUTH AFRICA. THESE PEOPLE REMEMBER —
AND ARE GRATEFUL — THAT WE SPOKE UP AND
STOOD BY THEM IN THEIR STRUGGLES FOR
FREEDOM. THE WORLD IS BETTER OFF, TOO.

FINALLY, THE THIRD PILLAR TO "PLUS-SUM" RELATIONS IS AN OPEN REGIONAL AND WORLD TRADING SYSTEM.

THE FREE FLOW OF TRADE AND COMMERCE AMONG NATIONS IS THE BEST GUARANTOR OF REGIONAL AND GLOBAL PROSPERITY. IN THE POST-WORLD WAR II PERIOD, JAPAN AND THE OTHER ASIAN ECONOMIES HAVE BEEN AMONG THE GREATEST BENEFICIARIES OF AN OPEN WORLD SYSTEM OF TRADE AND FINANCE — AND OPEN MARKETS IN THE UNITED STATES HAVE BEEN THE ESSENTIAL UNDERPINNING OF THIS SYSTEM.

THE UNITED STATES REMAINS COMMITTED TO KEEPING OUR MARKETS OPEN — AND WE EXPECT THAT OTHER NATIONS WILL OPEN THEIRS. AS PRESIDENT CLINTON LIKES TO SAY: "AMERICA WANTS TO COMPETE — NOT RETREAT OR PROTECT."

RECENTLY, THERE HAVE BEEN SEVERAL POSITIVE DEVELOPMENTS TOWARD MORE ECONOMIC OPENNESS:

FIRST, WE HAVE FINALLY BROUGHT THE URUGUAY ROUND OF THE GATT TO A SUCCESSFUL CONCLUSION. THIS IS VERY GOOD NEWS, AND IT WOULD NOT HAVE HAPPENED WITHOUT THE LEADERSHIP OF THE UNITED

STATES. THE URUGUAY ROUND IS THE MOST COMPREHENSIVE TRADE AGREEMENT IN HISTORY AND IT PROMISES TO EXPAND TRADE WORLDWIDE.

SECOND, THE CREATION OF APEC IS AN IMPORTANT INSTITUTIONAL STEP TOWARD GREATER ECONOMIC OPENNESS IN THE PACIFIC RIM. IN TURN, THIS WILL HELP UNDERWRITE CONTINUED ECONOMIC GROWTH AND DEVELOPMENT FOR EVERYONE. AS YOU KNOW, LAST NOVEMBER IN SEATTLE PRESIDENT CLINTON HOSTED THE FIRST-EVER, HISTORIC MEETING OF LEADERS FROM THE MEMBERS OF APEC. AT THE CONCLUSION OF THAT MEETING, PRESIDENT CLINTON SAID:

"IF YOU ASK ME TO SUMMARIZE IN A SENTENCE WHAT WE'VE AGREED ON, IT IS THIS: WE'VE AGREED THAT THE ASIAN-PACIFIC REGION SHOULD BE A UNITED ONE, NOT DIVIDED. WE'VE AGREED THAT OUR ECONOMIC POLICIES SHOULD BE OPENED, NOT CLOSED."

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FINALLY, THERE IS THE "FRAMEWORK FOR A NEW ECONOMIC PARTNERSHIP" WHICH WAS AGREED UPON BY OUR TWO GOVERNMENTS LAST JULY. THE FRAMEWORK REFLECTS AN UNDERSTANDING OF OUR SHARED RESPONSIBILITIES IN THE GLOBAL ECONOMY. THE UNITED STATES PROMISED TO REDUCE ITS DEFICIT AND TO IMPROVE ITS INTERNATIONAL

COMPETITIVENESS — AND WE HAVE ALREADY
MADE PROGRESS ON BOTH. FOR ITS PART,
JAPAN PROMISED TO IMPROVE MARKET
ACCESS FOR IMPORTS AND FOREIGN
INVESTMENT AND TO REDUCE ITS CHRONIC
CURRENT ACCOUNT SURPLUSES THROUGH
DOMESTIC DEMAND-LED ECONOMIC GROWTH.

SO FAR, THE JAPANESE GOVERNMENT HAS
MADE LITTLE PROGRESS ON THESE
COMMITMENTS. THIS WEEK, REPRESENTATIVES
OF OUR TWO GOVERNMENTS ARE MEETING IN
WASHINGTON TO SEE IF THERE IS A BASIS FOR
RESTARTING NEGOTIATIONS.

*Based on the 12th meeting
I am
hopeful that progress
can be made*

**JAPAN'S ECONOMIC PROBLEMS ARE NOT
SIMPLY BILATERAL ONES WITH THE UNITED
STATES. VIRTUALLY EVERYONE OF JAPAN'S
TRADING PARTNERS AGREES THAT THERE ARE
SERIOUS PROBLEMS WITH MARKET ACCESS
HERE, AND THE G-7 HAS ALSO BEEN URGING
JAPAN TO STIMULATE ITS ECONOMY.**

**THE TRUTH IS THAT A GROWING REGIONAL
AND WORLD ECONOMY DEPENDS ON A GROWING
JAPANESE ECONOMY. AN OPEN REGIONAL AND
WORLD TRADING SYSTEM DEPENDS ON A
JAPAN WHOSE OWN MARKETS ARE MORE OPEN.
AND, OF COURSE, A MORE OPEN, GROWING
JAPANESE ECONOMY IS GOOD FOR THE PEOPLE
OF JAPAN, TOO.**

**THESE THREE PILLARS — SECURITY,
DEMOCRACY AND HUMAN RIGHTS, AND
ECONOMIC OPENNESS — ARE THE FOUNDATION
ON WHICH WE CAN BUILD A FUTURE OF "PLUS-
SUM" RELATIONS AMONG THE NATIONS OF THE
REGION, AND THE WORLD.**

**SURELY, THERE IS NO BETTER EXAMPLE OF
A "PLUS-SUM" RELATIONSHIP IN THE WORLD
TODAY THAN THAT BETWEEN JAPAN AND THE
UNITED STATES. HOW OUR TWO NATIONS GET
ALONG WILL SAY A LOT ABOUT WHAT THE
WORLD IS GOING TO BE LIKE IN THE YEARS
AHEAD.**

IF WE HANDLE OUR AFFAIRS RIGHT, IF WE
BUILD ON THE STRENGTHS AND POTENTIAL OF
OUR PARTNERSHIP, THEN THE CHANCES OF
PEACE . . . THE CHANCES FOR PROSPERITY . . .
THE CHANCES FOR MORE DEMOCRACY . . . THE
CHANCES FOR A BETTER ENVIRONMENT . . . THE
CHANCES FOR POOR PEOPLE AROUND THE
WORLD — ALL OF THESE WILL IMPROVE.

*If we can do this, together all
US can truly demonstrate what*

THIS IS WHY WE ALL HAVE A STAKE IN THE
CONTINUING SUCCESS OF THE RELATIONSHIP
BETWEEN OUR TWO NATIONS.

*we mean by "Plus
Guns"*



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