

to address the broad challenges of global change and the challenges of the financial crisis. All of this you understand, I'm quite sure, better than I. We need your creativity, your entrepreneurial strength. We need your sustained, direct investment in emerging markets, your support for training, health care, and good workplace conditions to ensure a strong work force and stable, broad-based support for open markets and global free enterprise.

Above all, right now, in every country, we need your leadership to support creativity and change. The world is different, and it is changing at a rapid rate. Inevitably, economics changes faster than politics. And yet, in the end, if we want stable societies and successful economics, we must have good politics. You can help us to achieve that.

President Franklin Roosevelt once said, "True wealth is not a static thing." How well we know that. It is a living thing, made out of the disposition of people to create and distribute the good things of life. We must find the right formulas to make this living thing grow stronger. Over

a generation of extraordinary progress, the people of Japan have shown what is possible.

Now it is the challenge of Japan and the United States, working at home and working together, to fulfill this promise, to restore stability to this region, growth to this country and to the world. I am absolutely convinced that the 21st century can be the best time humanity has ever known. I am more optimistic and idealistic today than I was the day I first took the oath of office as President in 1993. But I am also absolutely convinced, as my daughter's generation says, that denial is not simply a river in Egypt. [*Laughter*] We know what the challenges are, and we have to find the means to meet them. If we do, we will be richly rewarded.

Thank you very much, and God bless you.

NOTE: The President spoke at 10:25 a.m. at the Capitol Tokyo Hotel. In his remarks, he referred to Glen S. Fukushima, president, American Chamber of Commerce in Japan; Prime Minister Keizo Obuchi of Japan; and President Joseph Estrada of the Philippines.

Remarks Following Discussions With Prime Minister Keizo Obuchi of Japan and an Exchange With Reporters in Tokyo *November 20, 1998*

Prime Minister Obuchi. Just now I have finished the meeting with President Clinton which lasted for about an hour and a half. Japan and the United States are allies bonded together with shared values. It is my pleasure to receive President Clinton in Japan less than 2 months after our first summit meeting in New York. And I regard it as testimony to the close cooperation and coordination between the two countries.

The President invited me to officially visit the U.S. during the Golden Week holidays next year, and I accepted it with great pleasure.

In today's summit meeting, the President and I exchanged views on a wide range of topics, including international situation and the world economy. Regarding North Korea, we had a substantive exchange of views on matters including KEDO, the suspected underground construction of nuclear facilities, and missile issues.

We confirmed that the two countries will maintain our close consultation with each other on various levels and will take a coordinated posture among Japan, South Korea, and the United States toward North Korea.

The President and I also consulted on major international issues, including Russia and China. We reaffirmed our two countries' contribution to the global peace and security which goes beyond our bilateral relations. And I told the President—and the President welcomed—that Japan would extend assistance to the Palestinians up to some \$200 million in the next 2 years in order to accelerate the momentum for the Middle East peace process created by the Wye River agreement in which President Clinton took an instrumental role.

With regard to Central America, which was stricken by Hurricane Mitch, I explained to the

President about Japan's assistance to those countries. And the President and I also confirmed that the two countries will make closer cooperation toward the early realization of U.N. Security Council's reform.

The President and I welcomed the enhancement of the cooperation between Japan and the United States to stabilize the world economy. We are both pleased with the joint announcement of the Asian growth and recovery initiative, and we reaffirmed our cooperation in the area of strengthening the global financial system.

The President and I also agreed to continue the constructive dialog on the economic management of the two countries. In this context, I explained to the President that, recognizing the critical importance of Japan's economic recovery for the economic stability and prosperity in Asia, as well as in the world, Japan is simply implementing measures necessary for the revitalization and stabilization of its financial system and for its economic recovery. In particular, I finalized on November 16th the emergency economic package which aims to recover the economy. And we have also mentioned that the effort on the U.S. side is also to be welcomed, and we considered that the decision—we hope that these cooperative efforts by Japan and the United States will bear fruit and that the world economy will head for stability and recovery.

In today's summit meeting, the President and I confirmed the development in Japan-U.S. cooperation on various issues with global implications, and I would like you to refer to the distributed paper for the details.

It was a significant achievement of President Clinton's visit to Japan this time that the President and I could reconfirm the importance of Japan-U.S. relations and promote the cooperation and policy coordination between the two countries. As Japan and the U.S. face numerous issues which call for their joint effort, I would like to maintain close consultation and cooperation with the President.

President Clinton. Thank you very much. Let me begin by thanking Prime Minister Obuchi for welcoming me to Japan, for the warm hospitality, and for the good talks we have had yesterday and today.

The relationship between the United States and Japan is the cornerstone of stability and prosperity in the Asia-Pacific region. That is both a point of pride and a pledge that we will act together to promote stability and pros-

perity, especially now when so many nations in the region are facing economic difficulties and real distress.

To be the cornerstone of stability and prosperity, we must continue to carry our weight. We're going to meet our responsibilities first and foremost as allies. The Prime Minister and I had good discussions on important security issues, including our shared concerns about North Korea. The United States is reviewing our Korea policy to strengthen North Korea's compliance with its obligations, and of course, we will be consulting closely with Japan and others in the region as we move forward.

We are also going to meet our responsibilities as democracies with a common sense of purpose. Today we issue a joint statement on our support for democracy and human rights around the world. We've agreed to strengthen our cooperation on the environment. We both welcome Argentina's decision this week to become the very first developing country to accept binding limits on its greenhouse gas emissions, following up on the historic work done by Japan at the Kyoto conference last year. We recognize that there is and there must be no tradeoff between the human right to development and the human need to breathe clean air, drink safe water, live a healthy life.

We are also, I am confident, going to meet our responsibilities as the world's two largest economies. The United States will do its part with a determined policy to keep growth going, markets open to free and fair trade, and continued efforts to stabilize the global economy in the short and long term.

Japan has made important contributions to regional stabilization, efforts like the Miyazawa plan; the new Asia growth and recovery initiative the Prime Minister and I announced at APEC, to help banks and businesses in hard-hit countries emerge from debt; the precautionary finance facility to help the financial contagion not spread to countries with good policies; and of course, Japan has committed recently substantial resources to repair its banking system and announced new plans to stimulate the economy here.

I believe it is clearly not only in the interest of the world and the region but in the interest of the Japanese people for Japan to continue to move forward with Prime Minister Obuchi's strategy, with aggressive implementation of the significant bank reform legislation and taking the

necessary steps to spur domestic demand and reignite economic growth. We in the United States learned a few years ago, often in painful fashion, that there is no substitute for decisive action to heal an ailing banking system so that growth can be restored.

We also believe that it is in Japan's interest to support open trade and more open, deregulated markets. An overwhelming consensus emerged from this week's APEC summit: Protectionism is a no-growth strategy that offers no way out of the current economic crisis. If coupled with actions which lead to an artificial explosion of exports in other countries, in fact, it can promote a protectionist reaction there, further slowing growth. The longer we wait to confront this reality, the harder it becomes to escape.

At APEC our nations agreed to pursue at the WTO market-opening measures in nine critical sectors covering \$1.5 trillion in global trade. This is an important commitment, and we will count on Japan's support to see it through in 1999.

I know that there are painful choices going on throughout Asia and difficult challenges for Japan. I would just like to say as a friend that the United States wants, needs, and believes in a strong Japan; that in the last half century no nation has demonstrated its capacity for positive change more dramatically than Japan. Today, I believe Japan has, amidst all the difficulties, a win-win proposition. The steps necessary for the good of the Japanese people are also good for Asia and the rest of the world.

As Japan works to recover its growth and stability, it will lead all Asia into a more prosperous and peaceful 21st century. That is a goal I am proud to share with Prime Minister Obuchi, and one we will be working together to achieve in the months ahead.

Thank you very much.

Japanese Economic Recovery Efforts

Q. I'd like to ask you a question about economic matters. It was the economic recovery—Japanese Government has been resorting to various measures. However, we cannot say that we have seen any positive result. Mr. President, how do you assess the status quo and also the measures that have been taken by the Japanese Government? How do you assess them?

And also, Mr. Prime Minister, how have you been explaining to Mr. Clinton about the exist-

ing measures that have been taken by the Government and also the outlook of the recovery?

Prime Minister Obuchi. Let me respond first. During the Japan-U.S. summit, I have explained to Mr. Clinton the following: We are fully cognizant of the fact that it is extremely critical that Japanese economy makes a recovery in order to ensure the economic stability and prosperity of Asia and the world. To this end, we have been putting top priority and consider this to be an urgent matter in order to implement necessary measures for the recovery of the economy and the financial system.

And on the 16th of this month, we have presented the emergency economic stimulus package so that we will be able to state clearly for the fiscal 1999 that Japan has turned to the positive growth. And that means that the package includes 17 trillion yen on project basis and substantially—20 trillion yen, if the permanent tax reduction exceeding 6 trillion yen is included. And these are the measures necessary for us to create the bright 21st century and urgent matters for the economic—recovery—and also must take measures necessary to avoid the global economic risks and support Asia.

And the third supplementary budget has to be prepared as soon as possible. And this means that national and regional fiscal burden would be exceeding 10 trillion yen. So we are going to be moving toward the rapid and prompt preparation of the supplementary budget as soon as possible so that it can pass the extraordinary Diet.

And we believe that President Clinton has well received our efforts and has shown understanding and has expressed that he shall extend continued support towards such measures. We're very much appreciative of such a stand expressed by Mr. Clinton.

Number one economic power, the United States, and number two economic power, Japan, we must take initiatives in order to ensure the prosperity and stability in Asia and Asian economy as a whole. And we have confirmed mutually that we shall, together, exert efforts.

President Clinton. Let me, first of all, say I think it is unfair to have a negative judgment of the Government's efforts based on the fact that no one feels any results now. After all, Prime Minister Obuchi has not been in office very long. He has put together his government; he has passed this bank reform legislation; he

has announced a plan to stimulate the economy with tax cuts and public investment.

You asked how I feel about it. I would make four points. Number one, I think the bank reform legislation is quite good because it puts up public money which financial institutions can get to protect depositors, but only if they recycle—or, if you will, write off their bad loans and clean up their balance sheets so they can start to loan money again. So I think that, if this legislation is vigorously implemented, it will be a big plus.

On the stimulus package, I think it is quite good. Whether it will be enough or not, I do not know, simply because the Prime Minister has had to change a policy that was not stimulating the economy, and sometimes when you have to turn a country around, it takes more than you think in the beginning. I don't know that.

The third thing I would say is we believe that greater trade and investment will actually generate more jobs and more growth in Japan. And therefore, we think it's important to continue with the market opening mechanisms, and we have suggested that perhaps deregulation in the areas of telecommunications and airlines would generate more jobs here only because they generated far more jobs for us in the United States when we did it than we could have known.

The last thing I'd like to say is I hope the Japanese people have great confidence in their country. And average citizens, the kind of people I talked to last night on that television show, they can help. This is not just for the Government alone. Average citizens, if they have confidence and they believe in the capacity of this country to meet its challenges, can help by purchasing more of the goods and services, more of the output of Japan to create more jobs and stabilize this economy. And I would hope that they would also do that.

North Korea

Q. Mr. President, you mentioned briefly your discussions on North Korea. I was wondering if you could tell us, in light of, first of all, a couple of reports this morning—one talks about new North Korean missile developments, another talks about the North Koreans requesting a sum of money in order for an inspection of that suspected complex—I'm wondering if you can give us an update on the report from

your representative who went to the region and what specific areas you two discussed as far as how to approach the situation, whether you need to be going more toward carrots, more toward sticks, more discussions, more direct negotiations. Thank you.

And I'd also like the Prime Minister, please, if he could give his input on that as well.

President Clinton. First of all, I think it is important to keep in mind the difference between the missile program, which we have always been quite concerned about but over which we have no agreement with the North Koreans, and the agreed framework for containing the nuclear program.

We're quite concerned by some of the news reports we have seen; not all of them, by the way, have been confirmed. But there are some disturbing signs there. It is true that when I sent a team into North Korea to talk about inspecting sites, there was some discussion of conditions which were completely unacceptable for such inspections. And I think it's fair to say that no one can be absolutely sure of whether the North Korean position is simply a product of economic difficulties, so they're attempting to get more money out of various countries for doing what they ought to be doing anyway, or whether they really are moving toward a more hostile posture.

We will evaluate that very carefully. I have appointed a former Defense Secretary, Bill Perry, to do a comprehensive review of our Korea policy and analyze all this and report back to me and to congressional leaders soon.

Now, the second thing I would say is, I still believe that we are doing the right thing to pursue the agreed framework because we know that if we had not been working on that these last several years, North Korea would have far more nuclear material for weapons productions than it has, because the agreed framework, in that sense, has worked.

And in that connection, I applaud what Prime Minister Obuchi has done in supporting the KEDO project. And we need to continue to work together with our friends in South Korea, hopefully with the support of the good wishes of the Chinese, to try to restrain hostile developments in North Korea and keep working in the spirit of the agreed framework and to avoid destabilizing things like this missile flight over Japan, which disturbed us greatly.

Prime Minister Obuchi. With respect to the North Korea issue, basically the United States, South Korea, and Japan should cooperate in trying to resolve the matter. And on this point, we have had discussions with the President, and I think that it has been confirmed that this kind of trilateral deliberations and consultations will continue.

The North Korean missile flew over our territory and landed in the Pacific Ocean, but it was a very shocking experience for us. And therefore, in that respect, Japan would like to try to see what kind of cooperation Japan can extend to North Korea to these consultations and consultative processes. However, there are some doubts about the underground nuclear facilities—should the North Koreans have—and therefore, we are looking forward to the surveys and investigations which will be conducted by the United States and hope that that kind of a doubt will be cleared very soon.

On the other hand, we have to cooperate on the KEDO project, and therefore, in that respect, we are trying to extend our cooperation as the President has just mentioned. And as Japan, we are going to be thinking of providing a billion dollars' worth of support; and therefore, in that respect, we hope that such underground nuclear facilities or facilities that are producing nuclear material is not there in reality because

if that happens, it will be very difficult for us to persuade the Japanese people about the kind of cooperation we would be able to extend to the North Koreans. And therefore, in that respect, we would like to ask for the understanding of the United States, and we're asking for the cooperation of the United States in this respect.

In any case, we do hope that we will be able to see that North Koreans will be able to coordinate their efforts together with the people that are involved. Although in the consultation tables we are not included ever, we hope that the United States and South Korea will provide us the needed information so that we will be able to pursue our policies in trying to stabilize this area and bring peace and stability into the region.

I'm sorry, the time is up. Thank you very much.

NOTE: The remarks began at 5 p.m. in the Asahi-No-Ma Room at the Akasaka Palace. In his remarks, the President referred to the Asia-Pacific Economic Cooperation forum (APEC), the World Trade Organization (WTO), and the Korean Peninsula Energy Development Organization (KEDO). Prime Minister Obuchi spoke in Japanese, and his remarks were translated by an interpreter.

Exchange With Reporters in Tokyo November 20, 1998

Impeachment Inquiry

Q. Mr. President, we were told that you were briefed today on the Judiciary Committee hearings back in Washington. Can you tell us what was your impression about the hearings? What kind of guidance did you give your attorney David Kendall about his accusation that Kenneth Starr was guilty of prosecutorial misconduct? And what do you think about the subpoenas for Bruce Lindsey and Bennett?

The President. Well, first of all, I got only a cursory briefing. I didn't see any of the hearings, and I really can't comment on how they went. I only became aware recently, I think after I left, that Mr. Kendall was going to be able to ask some questions. So I don't know.

My understanding is that he essentially asked questions consistent with the letter he had written both to Mr. Starr and the Attorney General several weeks ago. But beyond that, I don't know. I really haven't talked to anybody back in Washington. I just got a general, cursory review of that.

Q. You didn't say anything to him about prosecutorial misconduct?

The President. I believe that—I don't know this because I haven't seen it, and I haven't talked to anybody—my understanding generally was that the issues he raised were issues he had raised months ago—at least several weeks ago. He wrote a letter to Mr. Starr and wrote a letter to the Attorney General. But I don't