

Exchange With Reporters Prior to Discussions With President Jiang Zemin of China in Auckland, New Zealand September 11, 1999

Situation in East Timor

Q. Mr. President, on East Timor, what's the next step for the U.S. and the international community, now that Indonesia seems to be failing to stop the violence there?

President Clinton. Well, today we suspended all military sales and continue to work to try to persuade the Indonesians to support the United Nations' operation to go in and help to end the violence and secure the safety of the people there. And that's what we have to continue to do.

I think the United Nations will support such an endeavor if the Indonesians will request it. And I think it is imperative that they do so. And I think we're making headway.

Q. Is there any time frame for that? Is there any kind of deadline on that?

President Clinton. Well, I think you'll see a development here in the next couple of days. I think something will happen. I'll be surprised if it doesn't. We're working—not just the United States, people all over the world are working very hard on it. And I think people in Asia are very concerned about it.

China-U.S. Relations

Q. Mr. President, how are U.S.-Chinese relations now?

President Clinton. Well, I don't want to speak for President Jiang, but from my point of view,

I'm eager to get on with it and have this meeting. [*Laughter*]

Q. Will you be able to get a WTO deal, sir?

President Clinton. Certainly hope so.

Taiwan

Q. Mr. President, what's your message when it comes to Taiwan?

President Clinton. My message is that our policy has not and will not change. We favor one China. We favor a peaceful approach to working out the differences. We favor the cross-strait dialog. Our policy has not changed, and it will not change.

Q. President Jiang, are you sticking with your threat to use military force against Taiwan, sir?

President Jiang. Our policy on Taiwan is a consistent one. That is, one, peaceful unification, one country-two systems. However, if there were to be any foreign intervention, or if there were to be Taiwan independence, then we would not undertake to renounce the use of force.

NOTE: The exchange began at 5:18 p.m. in the Drawing Room at the Government House. A tape was not available for verification of the content of this exchange.

Remarks to American and Asian Business Leaders in Auckland September 12, 1999

Thank you very much, and good morning. Ambassador Bolger, thank you for the fine introduction and for the years of friendship and co-operation we have enjoyed. Prime Minister Shipley, thank you for being here today and for making my family and me and our American group feel so welcome in New Zealand.

Since this is the sort of economic engine of APEC, all of you, I do want to note that my mother-in-law and my daughter and I did our

part to support the New Zealand economy yesterday, and we got some nice free press for doing it, in the newspaper. I appreciate that.

I'd like to thank Jack Smith, who is up here with us, the CEO of General Motors, for his leadership, and those of the other American business leaders: John Maasland, the CEO of APEC; Ambassador Beeman. I'd also like to thank the American team who is here with me: our Secretary of State, Madeleine Albright; our

Trade Representative, Charlene Barshefsky; National Security Adviser Sandy Berger; and National Economic Adviser Gene Sperling.

I am delighted to be here in Auckland for the last gathering of Asia-Pacific leaders in the 20th century. We primarily deal with economic issues, but today, if you'll forgive me, I'd like to begin with a few comments about security issues, because the eyes of the world today, not just in Asia but throughout the globe, are on East Timor, where the people voted overwhelmingly for independence, where, I believe, Indonesia's Government did the right thing in supporting the vote, just as it did the right thing in holding its own free elections earlier this year.

Now it is clear, however, that the Indonesian military has aided and abetted militia violence in East Timor, in violation of the commitment of its leaders to the international community. This has allowed the militias to murder innocent people, to send thousands fleeing for their lives, to attack the United Nations compound.

The United States has suspended all military cooperation, assistance, and sales to Indonesia. I have made clear that my willingness to support future economic assistance from the international community will depend upon how Indonesia handles the situation from today forward. We are carefully reviewing all our own economic and commercial programs there. The present course of action is imperiling Indonesia's future, as well as that of the individual East Timorese.

The Indonesian Government and military must not only stop what they are doing but reverse course. They must halt the violence not just in Dili but throughout the nation. They must permit humanitarian assistance and let the U.N. mission do its job. They must allow the East Timorese who have been pushed from their homes to return safely. They must implement the results of the balloting, and they must allow an international force to help restore security.

We are ready to support an effort led by Australia to mobilize a multinational force to help to bring security to East Timor under U.N. auspices. We all have a great deal at stake in the resolution of this crisis. We have a strong interest in seeing an Indonesia that is stable, prosperous, and democratic, the largest Muslim country in the world, a nation where soldiers are honored for their commitment to defend the people, not to abuse them. All of that has been called into question in the last few days. We don't want to see the will of the people

overturned by violence and intimidation. And because the U.N. helped to organize the vote in East Timor, we have a special responsibility to help to see it through, to stand up to those who now break their promises to the international community.

It is not just the people of East Timor who deserve a democratic future, though they do. It is not just the people of Indonesia who have embraced their own choices in a free election, though they, too, deserve a democratic future. We must help both the people of East Timor and the democratic process in Indonesia because the world community seeks to have the integrity of democracy protected everywhere. And today, again I say, the eyes of the world are on that tiny place and on those poor innocent, suffering people.

I would also like to say just a couple of other words about security issues. I will meet here with President Kim and Prime Minister Obuchi to discuss peace and reconciliation on the Korean Peninsula. The people of North Korea need food and opportunities. They need engagement with the south and the chance for a brighter future. They do not need new weaponry that threatens the security of the region and the world.

I would also like to say a word about China and the present tensions between China and Taiwan. The United States has enjoyed friendly relations with both China and Taiwan for some years now. Our policy has been rooted in our commitment to one China, our commitment to a peaceful resolution of the differences between China and Taiwan, our commitment to continuously expanding the cross-strait dialog. We have a clear policy enunciated in the three communiqués and in our Taiwan Relations Act.

I reaffirmed to President Jiang yesterday, and I will do what I can to support while I am here and after I leave here, the proposition that these peoples have too much at stake in a peaceful future, benefiting all their—all their children to let the present difficulties deteriorate into a confrontation in which, in the end, all would suffer. I hope all of you, to the extent that you can, will reaffirm that course.

Let me say that, returning to economics, this is a much happier occasion than the last APEC meeting. I think the uniform of the day for the business people sort of illustrates that. [Laughter] Last year you might have met in straitjackets. [Laughter] But economies that

were going downhill then, now seem to be clearly on the road to recovery.

Just for example, South Korea's industry has produced 30 percent more this June than last. Its economy is expected to grow at least 6½ percent this year. All over the region, key stock markets are now above pre-crisis levels, currencies are stronger, workers are going back to work.

And for every one of you that had something to do with this recovery, I want to express my thanks to the businesses that had to tighten their belts, but pressed ahead; to the governments that had to pursue difficult, but vital reforms; to the international community which mobilized over \$100 billion in assistance and applied it wisely; to the countries which, like the United States, kept our markets open to keep the crisis from becoming worse and to help it turn around more quickly.

Still, the consequences of the last couple of years have been quite severe. Far too many people lost their jobs, their businesses, and their dreams. There are longstanding concerns about stability, openness, human rights, and the environment which remain.

Therefore, the main thing I want to say about economics today is that this is not a time for complacency. There is still hard work to be done and a great deal to be won on the eve of this new millennium.

Here in Auckland, we should put APEC's weight behind the new trade round to be launched at the WTO meeting in Seattle. We should continue to reform the global financial architecture. We must work together to promote stability, as well as peace.

We, in the United States, knew when this crisis started that we had to work in all these ways. We have worked on the global financial architecture. We have worked to try to promote a new round of world trade. We also, remembering the awful experience of the Great Depression, worked hard to keep our markets open. For the first half of 1999, our trade deficit was more than double what it was in the first half of 1997.

But I think it is clear that that decision, even though it's somewhat controversial in the United States, was the right decision for American workers and for American businesses because we always need to be looking at the long term and the prospects of creating a global economy in which there is more trade, not less.

With 45 percent of the world's trade, the APEC nations have a vital interest in whether we take this direction or not. We can lead the way to a stronger, fairer, world trade system just as we did with the information technology agreement 3 years ago with APEC. Our APEC ministers already have backed an ambitious trade agenda; now it's time for the leaders to follow suit.

When we get to Seattle, we should then try to make APEC's agenda the world's agenda. We should be committed strongly to dramatic increase of market access in agricultural, industrial, and service areas. We should be committed to reaching some other agreements along the way during the process of the trade round—for example, to keep the information superhighway free of tolls, with a permanent moratorium on electronic commerce duties—to improve openness in government procurement, to speed up tariff liberalization in all the key areas we've identified. And I also believe we should be committed to completing the entire round within 3 years. Our citizens shouldn't have to wait any longer for governments to get a job like this done.

A strong world trading system is good for all the nations of the region. It is certainly good for the United States, where about a third of our economic growth came from expanded trade until the Asian financial crisis. Over a third of our agricultural products are exported. One in 10 of our jobs depends on exports; millions more depend on our ability to import. In our country, we have had remarkable growth with low inflation, thanks in no small measure to greater competition.

The world trading system will be even more beneficial as more nations commit to play by its rules. Yesterday I had a very good meeting with President Jiang, and China and the United States reaffirmed our commitment to China's entry into the WTO on commercially viable terms. I hope we can make it happen soon. I want to assure you, every one of you, that we are working hard to make it happen soon.

I also believe strongly that our world trading system will grow in popular support if it supports our values, and I mean values that are generally shared by civilized nations across cultural, religious, and regional lines. Twice in the last year or so, I have gone to Geneva to talk about a world trading system for the 21st century and the importance of honoring our values

when it comes to labor, when it comes to the environment, when it comes to the openness with which powerful bodies make their decisions.

Just as we will continue to enforce our trade laws at home to ensure fair competition, we will continue to address what I believe are commitments all of our people really want us to embrace, to decent working conditions and to the health of the global environment.

This will not be, however, about erecting new barriers, but about lifting the lives of all people. I am very pleased, for example, that the delegates at the International Labor Organization unanimously adopted a convention banning the worst forms of child labor.

I am encouraged by our common commitment to address the challenge of global warming. Let me say this is still a very contentious issue among some developing and some developed countries. There are many developing countries that honestly believe that developed countries will use the whole climate change debate as a way of slowing economic opportunity for people in developing countries.

I completely disagree with that. Those who hold this view believe that the only way to grow an economy in the 21st century is with the same energy use patterns we saw in the 20th century. But if you talk to Mr. Smith—and, Jack, I read your press in the morning paper today, and what did he say? He said there are three dramatic changes going on in the automobile industry. One is in commerce; GM sells its first car in Taiwan over the Internet. Two is that cars are becoming automated information, communications, and entertainment systems, self-contained. And three is that the internal combustion engine is being changed in fundamental ways. And before we know it, there will be both blended-fuel and alternative-fuel vehicles which will be emitting far less greenhouse gases into the atmosphere, in ways that accelerate economic growth rather than diminish it.

So I'm going on—as you can see, I'm not looking at my text here; this is something I really believe. One of the central—the world works by adherence to our departure from big ideas. And we organize ourselves around them, and then people like you do real well when you figure out how to improve on them, modify them, find a little niche in which to move. But if you stay with a big idea that's wrong too long, no matter how good the rest of our cre-

ativity is, we all get in trouble. And no matter how hard we work, we get in trouble, because we work harder and harder and harder at the wrong things.

So I just want to say—I only get to make one more of these speeches, and then I'll be gone. [Laughter] I'll be an ex-big idea, right? It will be over. [Laughter] One of the big ideas the world has to abandon is the idea that the only way to build a modern, prosperous economy is with the industrial energy use patterns of a former era. It is not true.

And when you look at the future of China, when you look at the future of India, when you look at all the other developing economies, and you imagine what you can do with the cell phone, with the Internet, and with alternative energy development, a lot of very poor places in Africa and Asia and other parts of the world can skip a whole generation of economic development unless we stay in chains to a big idea that is no longer true.

I hope you will help to lead the way to bring the developing and the developed countries together around finding new technologies that will both improve the economy and the environment at the same time.

Finally, let me say, I am very grateful that there is a growing recognition that the world trading system and the WTO itself should be more open and accountable. I think this is very, very important. I think that there's a lot of controversy about it from time to time on the specifics, but in the end, greater accountability and greater openness and greater involvement of all elements of society in these decisionmakings will build greater support for a global economic system.

I'd like to say just a few words about the global economic architecture, if I might. I think there's a real danger that I sense growing of people to say, "Well, things are fine now; we don't need to continue to do anything about the economics of the financial architecture." I think that's a mistake.

The Asian financial crisis came after a high tide of capital washed into the region, often highly leveraged, flowing quickly into countries without adequate risk assessment. When the tide receded just as rapidly, if not more rapidly, it left behind a legacy of mounting debt, devaluation, and severe dislocation.

For us in the United States, the crisis underscored our tremendous stake in the stability and

success of Asia. It demonstrated how closely tied our economies had become. And as our Asian markets dried up, our companies, our banks, our workers, our farmers clearly felt the effects.

We've been seeking new ways to help the international system moderate the cycle of boom and bust in much the way that individual economies have learned to do since the Great Depression. We are working more closely to make sure that all, including the developing economies, have a seat at the table, through new mechanisms like the financial stability forum. I just want to urge you all to keep this progress on course.

Emerging economies, of course, have work to do; they still have to continue to restructure their banking systems, make their corporations more accountable, reduce reliance on short-term loans, encourage greater direct investment. Creditor nations must improve our own financial supervision and regulation so investors will assess risks more carefully and banks will lend more wisely.

The IMF now has special financing available to help a country head off a financial contagion—something we in the United States worked very hard to set up—provided the country has maintained responsible economic policies. We must continue to develop such tools.

Working with the World Bank and the Asian Development Bank, we must also strengthen safety nets so people have unemployment insurance and job training, so that impoverished children are not the first and hardest hit victims of an economic downturn. We must, in short, continue our efforts to put a human face on the global economy, not because it is charity, but because it is the right thing to do from a humane, as well as from an economic standpoint. It is essential to the long-term success of the market. An active role for government is important not to restrain competition or to dictate the flow of investment, but to ensure fair dealing and a level playing field.

New Zealand is leading efforts to broaden competition in domestic markets. The United States and other APEC partners are working with the private sector across the region to make it easier to move goods and services across borders. Our economies will work even better when we have stronger standards for disclosure by businesses and governments.

One of our leaders made a comment the other day that I kind of wished I had made

because I thought it was so clever. Speaking of the broad consensus for greater openness, President Estrada said, "Now, when Alan Greenspan and the common people have the same view, we should listen." [Laughter] I don't know whether Mr. Greenspan liked that, but I liked it very much. [Laughter]

Let me say in one last point, I think more openness, more honesty, more responsibility in our business dealings gives us a more supportive political system and, therefore, gives us better economic results. I don't believe nations can reap the full benefits of the technology revolution if the free flow of information is curbed, for example. I think entrepreneurs and investors will flee nations where the most lucrative deals are made in secret, where contracts aren't honored, where courts aren't fair, where creativity is stifled, where there are grievous worker complaints.

Instead, I think they will be drawn to countries where there's fairness and openness and freedom, good education system, and broad participation in the prosperity of the nation. These things are important to all of us.

So I say I'm glad you're here in these relaxed jackets instead of straitjackets this year. I'm grateful for what all of you have done to support APEC and its trade liberalization agenda and, specifically, to help lead the nations of Asia out of its financial crisis. But there is still a great deal for us to do together to expand trade, to strengthen the financial architecture, to strengthen the conditions among and within nations for success of the global economy with a human face, and to provide the basic framework of security without which economies cannot grow freely.

On balance, I think one would have to be quite optimistic looking toward the new millennium. But I think we also would have to be quite sober in the price that we will pay if any of us should fail to fulfill our responsibility. If we work hard at the right things, our children will live in a much better world.

Thank you very much.

NOTE: The President spoke at 9:35 a.m. at the New Zealand National Maritime Museum. In his remarks, he referred to New Zealand Ambassador to the U.S. James B. Bolger; Prime Minister Jennifer Shipley of New Zealand; President Clinton's

mother-in-law, Dorothy Rodham; U.S. Ambassador to New Zealand Josiah H. Beeman; President Kim Dae-jung of South Korea; Prime Minister Keizo Obuchi of Japan; President Jiang

Zemin of China; ABC News correspondent Jack Smith; and President Joseph Estrada of the Philippines.

Remarks Prior to Discussions With President Kim Dae-jung of South Korea and Prime Minister Keizo Obuchi of Japan and an Exchange With Reporters in Auckland

September 12, 1999

President Clinton. Let me say just very briefly, I am honored to have the opportunity to have this meeting with President Kim and Prime Minister Obuchi. We have much to discuss, but I would just mention two or three issues: our common interest in stability and reconciliation on the Korean Peninsula, our concern about events in East Timor, our commitment to try to find a common ground on economic issues here and at the WTO meeting to be held in Seattle in the next couple of months, and our commitment to continued, sustained economic growth in the nations of Asia.

I'm very concerned and pleased with the apparent economic turnaround in the region, and I want to do whatever I can to continue to support both these leaders as they attempt to lead the way there.

I also will reaffirm what I said yesterday in my meeting with President Jiang, which is the interests of the United States in the long-term stable, constructive relationship with China, something I know that is supported by both President Kim and Prime Minister Obuchi.

So I am delighted to have them here.

East Timor

Q. Mr. President, you mentioned earlier that you would support an international force in East Timor, but you didn't say anything about a commitment of U.S. troops. Could you give us your thinking on that, sir?

President Clinton. Well, the discussions that I have had with Prime Minister Howard and others—but since Australia would lead this mission and provide most of the troops—have centered around our providing some of the things that only we can provide, probably, like extensive airlift support to bring troops from other countries, primarily of Asia, into the theater,

other logistical support—intelligence, communications—some things which would require our presence in a limited way within the country, within East Timor.

Our people are working that out. General Shelton and our commander, our commander in chief of the Pacific, Admiral Blair, are working with the Australians, and no final decisions have been made, nor could they be until I have extensive congressional consultations. I've talked to, oh, probably 8 or 10 congressional leaders on this, and the Secretary of Defense and Mr. Podesta, on my behalf back home, have talked to many more. But we haven't finalized anything yet.

Keep in mind, the position of the international community at the moment is that such a force would have to be approved by the United Nations, which would only happen if Indonesia asked for it. So right now I think the important thing is to keep the pressure up here to try to get the Indonesians to fix the problem and, if not, to go on and ask for help, support from the United Nations.

[*At this point, a question was asked in Korean, and President Kim replied also in Korean. A translation was not provided.*]

President Clinton. Would you like to say anything?

[*At this point, Prime Minister Obuchi made brief remarks in Japanese, and no translation was provided.*]

President Clinton. Thank you very much.

NOTE: The President spoke at 12:02 p.m. in the Stamford Ballroom at the Stamford Plaza Hotel. In his remarks, he referred to President Jiang Zemin of China; and Prime Minister John Howard