

### ***China's Status in Future Economic Summits***

**Q.** Mr. President, do you think that China should be a member of the summit in the future? If so, what conditions would be there?

**The President.** Well, the short answer to that question is that these summits have always been summits of market-oriented democracies. And so it would require a whole redefinition of what this process is for a country that doesn't have democratically elected leaders to be part of it.

What I do believe is that the United States and Japan should be working together to help to integrate China into the world's economic institutions and to build stable partnerships for peace and prosperity.

**Q.** Are you going to discuss with the other leaders or Prime Minister Hashimoto this position about China's joining?

**The President.** The way we have this organized we will be able to discuss whatever we'd like, because we have at least one occasion, and to some extent, two, where we'll be able to sit around and bring up all of our concerns. So the Prime Minister has a lot of interesting things that he wants raised here.

### ***Russo-Japanese Territorial Issues***

**Q.** What do you think about the territorial issue between Russia and Japan and are you going to discuss about this issue with President Yeltsin?

**The President.** Yes, and I have discussed it on several occasions in the past, always urging Russia to try to resolve this matter with Japan. I believe it's very much in the interest of both of Russia and Japan to resolve this matter and to build a strong partnership.

The United States would feel much better about the future of the world knowing that Japan and Russia have the kind of partnership in the East that we have just tried to establish between Russia and Europe and the United States from NATO in the West. And obviously, there will have to be some plan for resolving this, but it will have to be worked out by the Prime Minister and President Yeltsin. But I have raised it before on several occasions.

**Q.** Would you nominate—[inaudible]—to the Ambassador to Japan soon, or discuss with the Prime Minister?

**The President.** Yes, I hope to do that.

**Q.** Next week?

**The President.** I don't know.

**Prime Minister Hashimoto** I'm grateful to all the questioning, because you have finished most of the topics that I was going to raise with the President. [Laughter] But in order to preserve his honor, of course, I have to add something. The President has been raising the issue with President Yeltsin, with the Russians on many occasions about the existence of the territorial issue and the urgent need for solving this issue between Japan and Russia. And of course, I sincerely hope that I can get support not only from the President of the United States but also from the other leaders participating in the summit. And I'd like to ask for cooperation from President Clinton on that account, too.

Thank you very much.

NOTE: The President spoke at 3:45 p.m. at the Hyatt Regency/Tech Center. In his remarks, he referred to President Boris Yeltsin of Russia. A tape was not available for verification of the content of this exchange.

### ***Joint Statement on the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy***

*June 19, 1997*

#### ***I. Basic Principles***

A. In today's increasingly integrated world economy, it is becoming more important to address consumers' interests in expanded choices of products and services that are readily available at lower prices, through enhanced competition and improved market access opportunities. With a view to meeting consumers' interests and to improving market access for foreign companies and foreign goods and services, the President and the Prime Minister decided in April 1997 to strengthen the dialogue between and reinforce the efforts of their governments with regard to deregulation and competition policy under the U.S.-Japan Framework for a New Economic Partnership ("Framework"). This Enhanced Initiative on Deregulation

and Competition Policy (“Enhanced Initiative”) is intended to carry out that decision.

B. The objective of the Enhanced Initiative, which will address both sectoral and structural issues, is to conduct a serious exchange of views and to undertake measures, as called for in the Framework, to “address reform of relevant government laws, regulations, and guidance which have the effect of substantially impeding market access for competitive goods and services” in order to enhance consumers’ interests and to increase efficiency and promote economic activity.

C. The Enhanced Initiative will be carried out through meetings of the High-level Officials Group and expert-level groups, described below, consistent with the principles of the Framework, such as achievement of tangible progress, limiting consultations to matters within the scope and responsibility of government, the MFN principle, and the removal of sectoral and structural impediments to expanded international trade and investment flows. In addition, the meetings held under this Enhanced Initiative will take place under the basic principle of two-way dialogue.

## ***II. The High-level Officials Group and Reports to the Leaders of the Two Countries***

A. A High-level Officials Group will be established to review and comment on reports by the expert-level groups. The High-level Officials Group will make utmost efforts to resolve any outstanding issues forwarded by the expert-level groups.

B. The High-level Officials Group will be chaired by the Deputy Minister, Ministry of Foreign Affairs (MOFA), and the Deputy USTR. Other principal agencies participating in the expert-level groups as described in Section III will be represented by appropriately ranked officials from the GOJ and the USG.

C. Meetings of the High-level Officials Group will be held once a year, or more frequently as agreed by both sides.

D. The progress under the Enhanced Initiative will be reported to the leaders of the two countries since the strengthening of dia-

logue on deregulation is based on the decision between the leaders of Japan and the United States, and the promotion of deregulation and active implementation of competition policy are issues of major importance to the GOJ.

## ***III. Expert-level Groups***

### ***A. Overview***

(1) Expert-level groups will be tasked with fulfilling the objective of the Enhanced Initiative.

(2) Initially, five expert-level groups will be included within the Enhanced Initiative: four sectoral groups—telecommunications, housing, medical devices/pharmaceuticals, and financial services—and the Deregulation and Competition Policy Working Group (the Working Group).

(3) Expert-level groups on other issues may be established or otherwise brought under the Enhanced Initiative in the future as agreed by both sides.

(4) Each experts-level group will decide the schedule and items to be taken up in its group.

(5) Officials in charge of domestic regulations within the scope of each expert-level group will participate as appropriate.

(6) Each expert-level group will report in writing to the High-level Officials Group, unless the expert-level group decides otherwise.

### ***B. Sectoral Groups***

The two governments will use existing fora to the extent possible, including the following:

(1) Deregulation in the telecommunications sector, including the implementation of the GATS commitments on basic telecommunications in each country, will be addressed in the existing experts group, co-chaired by MOFA and the Ministry of Post and Telecommunications and by USTR for the USG.

(2) Deregulation in the housing sector will be addressed in an expert-level group at the occasion of the existing wood products subcommittee, chaired by MOFA for the GOJ and USTR for the USG. The housing expert-level group will be co-chaired by MOFA and

the Ministry of Construction for the GOJ and by USTR for the USG.

(3) Deregulation in the medical devices/pharmaceuticals sector will be addressed in the existing MOSS medical devices/pharmaceuticals consultations, chaired by the Ministry of Health and Welfare for the GOJ and by the Department of Commerce (DOC) for the USG.

(4) Deregulation in the financial services sector will be addressed in the existing financial services consultations, chaired by the Ministry of Finance (MOF) for the GOJ and by the Department of the Treasury for the USG.

C. Deregulation and Competition Policy Working Group

(1) The two governments will continue to address developments in the deregulation process within the Deregulation and Competition Policy Working Group (the Working Group), chaired by MOFA for the GOJ and by USTR and the Department of Justice (DOJ) for the USG.

(2) Cross-sectoral issues will be addressed within the Working Group as follows:

—Structural issues such as competition policy and distribution will be addressed in a subgroup that will be established, to be co-chaired by MOFA, MOF, Ministry of International Trade and Industry, Ministry of Transportation, and the Japan Fair Trade Commission for the GOJ and by the Department of State and DOJ for the USG.

—Issues related to transparency and other government practices will be addressed in the Working Group, which, for the purposes of this dialogue will be chaired by MOFA for the GOJ and by DOC for the USG.

(3) Other issues on deregulation which are not discussed in other expert-level groups may also be taken up within the Working Group.

NOTE: An original was not available for verification of the content of this joint statement.

**Statement on Signing the Volunteer Protection Act of 1997**

*June 19, 1997*

I have signed into law S. 543, the “Volunteer Protection Act of 1997,” which will provide volunteers working for nonprofit and governmental entities certain protections from civil liability. Through citizen service, Americans recognize that we are responsible for one another and that we are members of a true community. All levels of government should encourage citizens to volunteer for service. This bill is a small part of what the Federal Government is doing to help our citizens serve as volunteers.

This legislation is a limited and targeted bill that deals with the specific concerns of individuals serving our communities without compensation. It preserves for the States, the traditional source of tort law, not only the ability to opt out of the bill’s provisions in most cases, but also the right to require proper licensing and evidence of financial responsibility. It is important to note that none of the bill’s limitations on liability will apply to misconduct that constitutes a crime of violence, an act of international terrorism, or a hate crime, or to misconduct that involves intoxication, drug use, a sexual offense, or the violation of any State or Federal civil rights laws. The bill does not apply to actions on behalf of any organization that engages in hate crimes. Also, S. 543 does not interfere with State law regarding the liability of volunteer organizations.

I remain concerned, however, that S. 543 contains both an absolute prohibition on joint and several liability of volunteers for non-economic damages and elements of one-way preemption of State law. These are both modifications of tort law that make it harder for innocent injured parties to recover. I emphasize that my signing this specialized and limited bill, which is designed to promote individual citizen service, in no way mitigates the concern about these issues that I raised in my veto message on the product liability bill presented to me last year (H.R. 956, 104th Congress).

On balance, however, S. 543 will encourage volunteer citizen service without unduly