



United States Department of State

*Focus* on the Issues  
**ASIA and  
The PACIFIC**

Excerpts of testimony speeches, and remarks by  
U.S. Secretary of State Madeleine K. Albright  
on economic issues, East Asia, and Southeast/  
Southwest Asia

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# Foreword

The nations of Asia and the Pacific have experienced considerable stress in recent years as financial instability in key countries slowed economic growth, fostered political change, and posed new challenges to regional institutions. The region's leaders also have struggled with complex security issues, including the need to maintain stability on the Korean Peninsula and preventing incidents of violence in the South China Sea.

*Focus on the Issues: Asia and the Pacific* highlights America's role as a leader within the Asia-Pacific community, including U.S. support for economic and political reform, regional cooperation, and human rights. It is the second in a planned series of publications of excerpts from testimony, speeches, and remarks by U.S. Secretary of State Madeleine K. Albright that highlight key policy issues.

# Economic Issues

*Remarks to the Asia-Pacific Economic Cooperation  
(APEC) Ministerial Meeting  
Auckland, New Zealand  
September 9, 1999*

. . . Two years ago, when we met in Vancouver, I said that the true test of an institution comes in times of turbulence and storm. I think we all would agree that the period since then has been a time of testing for the Asia-Pacific community.

Today, in much of the region, business activity is increasing, stock markets are rising, and consumer confidence is on the mend. And though this rebound remains fragile, some are tempted to proclaim once and for all that crisis has given way to comeback.

As a result, our great enemy in APEC today is not fear but complacency. For our purpose is not simply to emerge from crisis but also to prevent future ones. We seek a durable recovery and sustainable growth, and we know that the time to make a ship strong and seaworthy is *before* the next tempest looms on the horizon.

That is why this year is especially important for APEC. The world is watching to see if our resolve will slacken—or whether we will push forward to complete the reforms that are required to bring our people all the economic opportunity and security they deserve.

APEC has a central role to play. First, as we discussed this morning, APEC must do all it can to move the global trading system toward greater openness.

As we look to the upcoming WTO Ministerial in Seattle, I urge fellow members to join in making a strong and substantive call for a new broad-based round to open markets in agriculture, services, and industrial goods. And we should voice our support for enhanced transparency in government procurement and in the WTO as an institution.

Second, APEC can help strengthen markets as well as open them—by acting within our borders in ways that complement the work we do across borders. We already have before us important APEC initiatives covering natural gas, air services, and electronic commerce. We need now to carry them out in our respective economies.

But we should also act more broadly to strengthen markets throughout the Asia-Pacific—that means deepening the legal and regulatory reforms that attract investment and improve the business climate. It means strengthening weak banking systems and improving lax financial oversight. It means building a culture of accountability that makes corruption and cronyism plagues of the past. It means supporting democracy and respecting universal standards of human rights and labor rights. It means working together on practical problems such as Y2K. And it means investing in the education, training, health, and security of our people—so that they embrace economic change, instead of becoming its victims.

I am pleased to say the United States has done its share in this effort. President Clinton has focused worldwide attention on the need to restore growth and strengthen the social fabric in countries hard-hit by the crisis. And at a time when other large economies faced difficulties, we kept our own vast markets open to growing imports from the region.

We have used our leadership and influence in the international financial institutions to encourage a vigorous and flexible response to the crisis. The World Bank has heeded our calls to increase social lending to East Asia— more than doubling it this year to almost \$10 billion. And the “Accelerating Economic Recovery in Asia” program that Vice President Gore and I announced at APEC last year is helping hard-hit countries address pressing needs.

The United States will continue to be a leader in this effort. We will always be a Pacific nation. And we are motivated by the same belief in the region’s future and its people that first led President Clinton to invite APEC leaders to come together 6 years ago. . . . ■

*Remarks to the 1998 Asia Society Dinner  
Waldorf-Astoria Hotel  
New York City  
June 17, 1998*

Thank you Maurice Greenberg, Ambassador Platt, David Comansky, fellow honorees, members of the Asia Society, and guests: I am very pleased to be here.

As a professor in my former life, I used to ask my students to put aside the map we customarily use, which shows North and South America as the center of the world. Instead, I would turn the globe to the great Asian land mass and make the point that, to most of the people on Earth, that is the center of the world.

I am a great fan of the Asia Society because it sees the value in building bridges between these two worlds and these two perceptions. No work is more important for the 21st century than promoting understanding across the Asia-Pacific.

. . . Through much of Asia, the past year has been one of enormous stress. The financial crisis first sent ripples, then shockwaves, throughout the region. A lot of good hard-working people have had their hopes for the future dashed or put on hold. Tonight, as we meet, the crisis continues to deepen.

All this has great implications. For this audience, I do not have to spell out the vast connections that now exist between our security, prosperity, and freedom and that of Asia's. But I do want to stress the importance of getting that message out to the American people. I find it very disturbing, quite

frankly, that Congress has not approved funds to back efforts by the International Monetary Fund to help Asian economies reform and restore financial confidence. Nor has it approved our request to pay the \$1 billion we owe to the United Nations.

On matters this urgent and fundamental to our national interests, the United States should be a leader not a laggard. I hope you agree that Congress should act now.

One aspect of the Asia Society's work that I have always admired is that it is inclusive. It is truly the Asia Society, not just a Japan and China society under another name. That is good because despite the importance of those two countries, I intend only to touch on them in my remarks tonight. . . .

Instead, I want to take advantage of the Asia Society's emphasis on diversity and focus on three countries that illustrate that diversity quite dramatically—the Republic of Korea, Indonesia, and the Islamic Republic of Iran.

Obviously, these countries are quite different culturally as well as geographically. But each has an important role to play in regional and global affairs. Each is in the midst of a historic transition, and the course of events in each will do much to shape the challenges and opportunities of the new century.

I will begin with Korea, and, more specifically, with my reaction to the new President of that country which is, to use an old Confucian expression, "hallelujah."

As was evident to me during my visit to Seoul, where I did make great friends with the Foreign Minister—we had Georgetown in common and many other things, and we did hit it off immediately. As was evident to me during my visit to Seoul in May, and to the world during his State Visit to the United States last week, President Kim Dae Jung is a truly remarkable man. More than any other person, he has discredited the worn-out debate between so-called Asian values and Western values. President Kim

embodies human values, which apply everywhere to everybody. And for that alone he will be honored by the historians of our age.

But the long-time hero is also a new president and, in that capacity, he has his work cut out for him. During the summit last week, President Clinton made it clear that the United States cherishes our alliance with Seoul and our friendship with the Korean people. In addition to our alliance with Japan, this relationship is the bedrock of our security strategy in Northeast Asia, which aims, in part, to facilitate a lasting peace on the Korean Peninsula.

President Kim has approached this issue with great confidence. The United States fully supports his efforts to reinstitute a regular North-South dialogue in parallel to the Four Party Talks. We have agreed to coordinate closely on the issue of sanctions. We are conveying a common message to the North on the importance of adhering to the Agreed Framework. After all, the South Asia tests provide no license for the North to renege on its commitments. And do not doubt that we will live up to ours.

Few countries have been hit as hard by the financial crisis as South Korea. Fortunately, the shortcomings of the past are clearly recognized by the new government. President Kim has shown courage in attempting to get Korea's financial house in order. But this is a complex and painful task that will be opposed both by the architects of the old system and by those hurt most by the adjustments now required.

The road ahead is rocky, but the United States stands fully behind Korea's reform program. And there are reasons to be optimistic. No one can doubt the resilience of the Korean people or their ability to overcome setbacks. A reformed Korean economy, spurred by more open markets and by a cleaner and more accountable financial sector, would be a formidable and world-class competitor.

I'm told there is an old Korean adage, cited by President Kim in his letters from jail, that even if the heavens were to crash down, there is a hole through which to rise up. And even if taken in a tiger's teeth, there is a way to survive. Korea, like its president, has known hard times before. Because it has chosen the democratic path and is facing its problems squarely, I believe Korea will emerge from the present problems stronger, and with unshakable U.S. support, safer, and more secure.

One of the lessons of the past year is a lesson Kim Dae Jung has been teaching for decades: Democracies are better able to adjust to change than regimes that are autocratic. A true democracy has flexibility built into its system. The public has outlets for expressing anxiety, frustration, and new ideas. Leaders can point to a popular mandate to carry out difficult policies. In times of stress, a democratic people is more likely to pull together than to fall apart.

There could be no better illustration of all this than the past year of living precariously in Indonesia. Here, the financial crisis led to massive demonstrations, ugly ethnic-related violence, the martyrdom of at least four students, and a sudden end to the rule of President Soeharto.

The new President, B. J. Habibie, has moved to address popular concerns by promising new elections and releasing political prisoners. He has also assembled a strong economic team to grapple with a crisis aggravated by debt, looting, business flight, currency depreciation, rising unemployment, and inflation. Over the long term, Indonesia clearly has the resources and the skills to bounce back. But, today, the average citizen is hurting.

If Indonesia is to recover, its new leaders must reach beyond the traditional centers of power to build a consensus for peaceful, but profound, political reform based on democratic principles.

It is too early to judge whether the new government will pursue and succeed on such a course. But it is not too early to reaffirm America's commitment

to do all we can to help the Indonesian people. This is the right thing to do. It is also the smart thing, because prospects for a stable transition to democracy will increase if humanitarian needs are addressed. . . .

Indonesia is a country of critical strategic importance. If it is able to recover and move ahead with freer institutions and a more open economy, it will reclaim its position as an anchor of stability and prosperity throughout its region. It will also fulfill, at long last, the deepest aspirations of its people.

. . . One of the oldest continuous civilizations in the world, Iran is at the center of a region which includes countries that contain three-quarters of the world's population, three-quarters of the world's proven energy resources, and 60% of global GNP. These facts of life, and the critical role that Iran plays in that region, make the question of U.S.-Iran relations a topic of great interest and importance to this Secretary of State.

The United States established relations with Iran, then Persia, in 1856. For decades, our ties were limited but cordial. After the Second World War, America supported Iran in a bitter territorial dispute with the Soviet Union. And through the first decades of the Cold War, as part of a strategy intended to counter Soviet expansionism, the U.S. supported the Shah's regime and allocated to it large quantities of military and economic assistance.

We did so because of a common strategic interest: We were concerned with an effort to contain the spread of totalitarian influence across the globe. The exigencies of the Cold War also generated U.S. policies and activities that were resented by many Iranians. In retrospect, it is possible to understand their reaction, but the Cold War is now over and it is time to put that period behind us.

After the forced departure of the Shah in 1979, Iran turned inward in keeping with the Ayatollah Khomeini's slogan that "we must become isolated in

order to become independent.” This trend was manifested most extremely and unacceptably in the seizure of hostages at the U.S. embassy.

Neither country has forgotten the past, but most Iranians, like most Americans, are now focused on the future. And, clearly, it is possible now—if Iran so chooses—for it to be both fully independent and fully open to the world.

Last May, Iran’s people were given a chance to voice their support for a more open society and did so. Nearly 70% supported the election of Mohammad Khatemi as president, providing him with a mandate for change, demanding from the Iranian Government greater freedoms, a more civil society based on the rule of law, and a more moderate foreign policy aimed at ending Iran’s estrangement from the international community.

At the time, President Clinton welcomed this election, and as a former professor and lifelong student of history, I found the vote remarkable. The depth of the demand for change was obvious. So, too, was the evident desire of young Iranians and many Iranian women for greater openness and more personal liberty.

I was most impressed by the size of the mandate. Twenty million Iranians came forward to make themselves heard in the hope that, by so doing, they could effect real change in their government and in their daily lives.

Since taking office, President Khatemi has responded to the demands of the Iranian people by emphasizing the importance of dialogue among nations and cultures and by acknowledging the world’s growing interdependence. He has said that “a society intending to reach development cannot succeed without understanding Western civilization.” I would say, in response, that the same can be said with respect to Eastern civilization and Islamic civilization.

President Khatemi has said that the American Government deserves respect, because it is a reflection of the great American people. I would say that President Khatemi deserves respect, because he is the choice of the Iranian people. In his interview with CNN in January, President Khatemi called for a dialogue between civilizations, something which President Clinton welcomed because of our strongly held view that there is much common ground between Islam and the West—and much that we can do to enrich each other's societies.

In past years, Iran's opposition to the Middle East peace process and to those willing to negotiate with Israel has been vitriolic and violent. The Islamic Republic still refuses to recognize Israel, and its leaders continue to denounce Israel in inflammatory and unacceptable terms. But last December, Iranian officials welcomed Chairman Arafat to the Islamic Summit in Tehran and said that, although they did not agree with the logic of the peace process, they would not seek to impose their views and would accept what the Palestinians could accept.

In January, President Khatemi publicly denounced terrorism and condemned the killing of innocent Israelis. He argued that terrorism was not only against Islam but also counterproductive to Iran's purposes. Iran, after all, has also been a victim of terrorism.

If these views are translated into a rejection of terrorism as a tool of Iranian statecraft, it would do much to dispel the concerns of the international community from Germany to the Persian Gulf and from Argentina to Algeria.

There are other signs of change, as well. For example, Iran's record in the war against drugs has greatly improved—at least within its own borders—and it has received high marks from the UN for its treatment of more than 2 million Iraqi and Afghan refugees. Iran is also participating in diplomatic

efforts to bring peace and stability to Afghanistan and is making a welcome effort to improve relations with Saudi Arabia and other neighbors in the Gulf.

We view these developments with interest, both with regard to the possibility of Iran assuming its rightful place in the world community and the chance for better bilateral ties. However, these hopes must be balanced against the reality that Iran's support for terrorism has not yet ceased, serious violations of human rights persist, and its efforts to develop long-range missiles and to acquire nuclear weapons continue.

The United States opposes, and will continue to oppose, any country selling or transferring to Iran materials and technologies that could be used to develop long-range missiles or weapons of mass destruction. Similarly, we oppose Iranian efforts to sponsor terror. Accordingly, our economic policies, including with respect to the export pipelines for Caspian oil and gas, remain unchanged.

But let me be clear: These policies are not, as some Iranians allege, anti-Islamic. Islam is the fastest-growing religious faith in the United States. We respect deeply its moral teachings and its role as a source of inspiration and instruction for hundreds of millions of people around the world. U.S. policy is directed at actions, not peoples or faiths. The standards we would like Iran to observe are not merely Western, but universal. We fully respect Iran's sovereignty. We understand and respect its fierce desire to maintain its independence. We do not seek to overthrow its government. But we do ask that Iran live up to its commitments to the international community.

As in Indonesia, we hope Iran's leaders will carry out the people's mandate for a government that respects and protects the rule of law, both in its internal and external affairs. Certainly, Iranian voters last year were concerned primarily with domestic issues. But the Iranian people are also conscious of the critical role their country has long played in a

region of global importance. What Iran must decide now is how its strength will be projected and to what ends. Much has changed in the almost 20 years Iran has been outside or on the fringes of the international system.

Nations have recognized, for example, that if they are to safeguard their own interests from the threat of terror, they cannot tolerate acts of indiscriminate violence against civilians, nor can they offer refuge to those who commit such acts.

Despite the recent South Asia tests, more and more nations have enlisted in the fight against the proliferation of weapons of mass destruction. Respected nations from South Korea to South Africa to South America have decided that it is best for their people to forgo developing such weapons. The tide of nonproliferation agreements reached in the last two decades is ample evidence of this trend.

What have proliferated are multilateral efforts to protect international security. The UN, regional organizations, and coalitions have countered threats to peace during the Gulf war and in peacekeeping operations around the world. This global network has grown largely without Iranian participation. But Iran would be welcome if it is willing to make a constructive contribution.

We believe that President Khatemi expressed the sentiments of the Iranian people when he voiced the desire for a world in which misunderstandings can be overcome and mutual respect and logic govern relations among states. The United States shares that desire, and we are taking concrete steps in that direction. This month, we implemented a new, more streamlined procedure for issuing visas to Iranians who travel to the United States frequently. We also revised our Consular Travel Warning for Iran so that it better reflects current attitudes in Iran toward American visitors.

We have supported cultural and academic exchanges and facilitated travel to the United States by many Iranians. We are ready to explore further

ways to build mutual confidence and avoid misunderstandings. The Islamic Republic should consider parallel steps. If such a process can be initiated and sustained in a way that addresses the concerns of both sides, then we in the United States can see the prospect of a very different relationship. As the wall of mistrust comes down, we can develop with the Islamic Republic, when it is ready, a road map leading to normal relations.

Obviously, two decades of mistrust cannot be erased overnight. The gap between us remains wide. But it is time to test the possibilities for bridging this gap.

As the nations I have focused on tonight reflect, Asia is a region in transition. This is true from the Persian Gulf to the Korean Peninsula and virtually all points in between. In responding to this dynamic world, America cannot view every issue or nation through a single prism; we must take into account the full range of our interests. We must combine adherence to principle with a pragmatic sense of what works. We must know when to raise our voices in public and when to work quietly behind the scenes. We must know when to engage and when to isolate, and we must always be flexible enough to respond to change and to seize historic opportunities when they arise. Above all, we must maintain our commitment to human freedom. For of all the ties that bind together the American and Asian peoples, this is the strongest.

The story of Asia throughout this century has been the story of steadily increasing freedom and independence, steadily increasing control by the people of their own lives and their own destinies. For more than 200 years, that has also been the story of America. And it remains the basic objective of U.S. foreign policy to make possible a world in which every people, including those from every part of Asia, have that freedom and that control.

Thank you very much. ■

East AsiaEast AsiaEast AsiaEast AsiaEast Asia

# East Asia

*Press Briefing on U.S. relations with North Korea  
Washington, DC  
September 17, 1999*

Good afternoon. I am very pleased to welcome to the State Department today a very good friend of mine and one of America's most respected leaders. William Perry earned bipartisan praise as an outstanding Deputy Secretary and then Secretary of Defense, and over the past year he has served our country in a different but related capacity.

At President Clinton's request, he agreed to undertake a thorough and comprehensive review of our policy toward North Korea. Given the complexity and the controversy involved, this was the classic thankless task, but Bill Perry didn't hesitate because he knew the stakes for the 37,000 American troops stationed in Korea, for our nation's security, and for East Asia's stability. Today I want to thank him, publicly, for turning that thankless task into a potentially important turning point on the Korean Peninsula.

Recently in Berlin, we held discussions with the North Koreans during which we reached an understanding that the North will refrain from any long-range missile flight tests for as long as our negotiations to improve relations are underway. This morning, President Clinton announced that—consistent with the understanding reached in Berlin, my recommendations to him, and Dr. Perry's policy review recommendations—the United States is suspending restrictions on certain categories of non-military, trade, financial transactions, travel, and diplomatic contacts with North Korea.

In a moment, Dr. Perry will discuss and answer your questions about his review and the recommendations that flow from it. I simply want to make a few, brief points from my perspective as Secretary of State.

The **first** is to emphasize that the Perry review process, the talks in Berlin, and the steps we take today have been coordinated very closely, especially with our counterparts in Seoul and Tokyo. Our policy of seeking to ease tensions, prevent destabilizing developments, and explore the possibilities of a different and better relationship with North Korea are fully in accord with the positions of our allies. So is our staunch support for the Agreed Framework, which is the linchpin of our effort to end North Korea's nuclear weapons program.

Others, in the U.S. and elsewhere, may advocate a different strategy, but ours is the approach judged best by the three governments elected by the three citizenries most directly affected.

**Second**, we have no illusions. Dr. Perry's review and the Berlin understanding start us down a new and more hopeful road. It is a road that holds out the possibility of long-term stability, and even eventual reconciliation, on the Korean Peninsula. It's a road America and its allies want to walk down with the North, but it is not a one-way street.

If circumstances warrant that we go back to square one, we can do so without damage to our interests. If circumstances require that we go down a different road altogether, we will do so to defend our interests. But I think most Americans, and most people of all nationalities in East Asia, would like us to keep moving in the direction of more stable relations—if that is at all a reasonable prospect.

**Third**, I want to thank leading members of Congress, from both parties, for encouraging Dr. Perry to undertake his review, for their counsel

during it, and for what—I am sure—will be their thoughtful response to the results of it.

**Finally**, I would like to thank Ambassador Wendy Sherman and Ambassador Charles Kartman and the interagency team for the extraordinary efforts they have made in coordination with Dr. Perry to bring us to this point of renewed promise and steadfast resolve. . . . ■

*Remarks and toast at reception at the  
Embassy of the People's Republic of China  
Washington, DC  
January 12, 1999*

Mr. Ambassador and honored guests:

We commemorate tonight the 20th anniversary of the normalization of relations between our two countries.

On a personal level, this brings back memories for me. Twenty years ago, I was a member of the staff of the National Security Council in the Carter administration, and I was proud to be part of a decision to bring China and the United States closer together that I felt then and feel now is critical to the future of the entire Asia-Pacific region and the world.

Shortly before normalization, I traveled to China in the company of then-Senator Edmund Muskie. Since that time, it is remarkable how much has changed. Back then, in China everyone dressed the same—in Mao jackets. Of course, back then, quite a few Americans also dressed in Mao jackets.

Twenty years ago, a great wall of mutual suspicion and ignorance separated our two countries. We scarcely knew each other. Our leaders had only met a handful of times. Our dealings were shaped by Cold War politics. There was little trade or travel back and forth, and the visit of a Ping-pong team was a major event.

On fundamental issues, such as economics and controlling the spread of nuclear weapons, our philosophies were completely different. And on human rights, we were so far apart there was nothing to discuss.

Since then, the ties between our governments and our peoples have deepened dramatically. This is due, in no small measure, to the strategic dialogue upon which Presidents Clinton and Jiang embarked in recognition of the enormous importance of our relationship.

This dialogue is designed to help us cooperate where our interests coincide and to narrow differences wherever they exist. It has made possible a pair of historic summits in Washington and Beijing. It has allowed us to work together in areas of vital significance, such as nuclear proliferation, stability on the Korean Peninsula, international terror, and the resolution of global problems. It has helped us engage seriously on economic matters. And it has allowed us to speak frankly to each other, in the knowledge that our relations will be stronger if we are honest about our disagreements.

It is in that spirit, Mr. Ambassador, that I will speak frankly tonight, as your leaders do with us.

I am here this evening as a representative of the American people. I could not fairly represent them if I did not emphasize America's belief that organized and peaceful political expression is not a crime or a threat—it is a right that is universally recognized and fundamental to the freedom and dignity of every human being.

Accordingly, we are profoundly distressed by the unjustified prison sentences recently imposed upon a number of Chinese who tried to exercise that right.

We urge China not only to embrace in word, but also to observe in deed, the principles of the International Covenant on Civil and Political Rights which it has signed.

And we underline President Clinton's observation in Beijing that, in this Information Age, the future wealth and well-being of any nation will depend on the ability of its people to think, speak, associate, and worship freely.

Mr. Ambassador, when you and I served together in New York as permanent representatives to the United Nations, we had the opportunity to sympathize with each other concerning the endless nature of Security Council meetings, to compare notes and impressions over many a cordial meal, and to talk often. And we agreed that, although our two nations would not always see eye to eye, it was essential to both that we strive to establish the broadest possible common ground.

Over the years, our two countries have progressed far in that direction. Let us vow tonight to move further down that road.

As governments, let us continue our dialogue in the interests of developing a close and lasting relationship based on shared interests; a common pursuit of security, prosperity, and peace; respect for human dignity; and support for the rule of law.

As peoples, let us continue to expand our contacts and communications across the full spectrum of human activity so that our mutual understanding deepens and the ties between our citizens grow ever stronger.

We know from the experience of this century that openness and a commitment to truth are the foundation of enduring friendship and the building blocks of a better future. . . . ■

*Remarks at Sophia University  
Tokyo, Japan  
April 28, 1998*

. . . This afternoon, I would like to speak with you about the future of America's engagement in Asia and with Japan.

I know that for people here and throughout the region, this is a time of uncertainty, but that should not obscure a larger sense of pride. From the perspective of future generations, the final decades of the 20th century will be seen as an era of great accomplishment.

During this period, the nations of Asia lifted more people out of poverty than any comparable group of nations at any time in history. From Tokyo and Seoul to Manila and Bangkok, we have seen new democracies born, modern cities rise, and old adversaries become friends. But especially gratifying has been the development of a unique and lasting partnership between the United States and Japan.

Through the years, we have become more than just treaty allies; though, as allies, we are united by the most solemn security commitments two nations can make. We have become more than just the world's two largest industrial economies; though our size and wealth give our partnership unique potential and scope. We have become more than just two democracies that believe in freedom and the rule of law, though our common ideals translate into common interests and a common purpose.

Today, the real definition of our partnership lies not in who we are, but in what we do, for there are few issues vital to the region or globe on which we do not work together.

For example, the United States and Japan stood shoulder to shoulder, with principle and purpose, during the most recent crisis in Iraq. We both have contributed much to the reconstruction of Bosnia and have both participated in peacekeeping operations as far away as Rwanda.

Our cooperation under the U.S.-Japan Common Agenda is broad and growing, taking us from the preservation of coral reefs in the Pacific to the development of disease resistant crops in Indonesia to the fight against Guinea worm disease in Africa.

And, of course, there is our diplomatic cooperation in Asia. Here, we rely on you and you rely on us, each to do our share as military allies and economic partners to maintain stability, expand trade and investment, and lend a hand to those struggling to promote democracy and peace.

An example is Korea. Since the end of the Cold War, the Korean Peninsula has been perhaps the most dangerous place on earth.

But now representatives from the North and South have begun again to talk to each other, and through the Framework Agreement we have made progress in dismantling the North's nuclear program. There is at least a chance that lasting peace and reconciliation can be obtained. Given what is at stake, it is essential that we do all we can together—not reluctantly but with energy and vision—to ease the food shortages in the North, fund KEDO, and ensure nuclear stability.

There is another opportunity we have that lends hope to the closing years of this century, and that is to encourage a rapidly changing China to accept the benefits and responsibilities of full membership in the international system. Both our nations have an

interest in this goal, and our alliance gives us the confidence to seek it together. We both wish to see China integrated into the global trading system. We are both working hard and with growing success to enlist China in the effort to stop the spread of deadly weapons and technologies.

We both wish to see China reconcile the human right to development with the human need to breathe clean air, and we both wish to see a China where the authorities do not fear freedom of expression but, rather, see it as essential to the development of a stable society.

On this issue, especially, we must continue to speak with clarity, for while some Chinese dissidents have been released to exile in recent months, the Chinese Government's repression of dissent and religious freedom has not ceased.

But we must also recognize the ways in which China is changing. The Chinese Government is less involved in the lives of its citizens than at any time in the last 50 years and this year has seen hopeful stirrings of a dialogue among China's students, scholars, and officials about the need for political and economic change to go together.

In short, there are many good reasons to feel good about the future. The partnership between our two nations is strong. We have made progress in building an Asia-Pacific community that is more open, peaceful, and free than ever before.

But even as we focus on what is right today, we cannot forget what is not right. The economic crisis in Asia has hurt millions of families on this side of the Pacific, and it has hurt America, too—and we are in this together. And, together, we have been working with the IMF to restore confidence to the troubled economies of the region. Japan's contribution to the IMF package for Indonesia, Thailand, and Korea has been more generous than that of any other country.

At the same time, I believe that the most important contribution the United States is making is often taken for granted. We are continuing policies at home that keep our economy growing. We are selling to the world, but we are also buying the exports that will lead this region back to prosperity and growth.

That is what we ask of Japan, and that is why we welcomed the positive steps included in the stimulus package announced last Friday. And that is why we hope Japan will continue to move in the direction of encouraging domestic demand and reducing regulation of the economy.

This is a win-win-win proposition. It will strengthen the relationship between our two countries, it will help the entire region recover and grow, and it will enable Japan to compete even more successfully in the global economy.

I understand that Japan sometimes feels it is being pushed too hard and too fast to take steps that would be difficult even in the best of times. But I hope you understand that the concerns Americans have expressed are those of a good friend and staunch ally who wishes you well.

A few years ago, my country was under pressure from our G-7 partners, including Japan, to show stronger leadership in managing our economy. President Clinton was elected to do that—just that. It was not easy, but we are glad we did it.

Over the last half-century, no country has demonstrated more dramatically the capacity for change than Japan, and I am confident that you will rise to that challenge now. After all, the edifice Japan has built does not need a new foundation. What is needed—if I can borrow the words of Yoshida Shoin, whose teachings helped inspire the Meiji reformers in Japan 140 years ago—is to “discard the worn-out rafters and add new wood.”

The same need for fresh thinking is changing the way our partnership relates to the world. Our alliance has endured for 50 years; it has contributed to

prosperity and security throughout the region, but it is now being redefined to meet a host of new challenges.

For example, the financial crisis has focused our attention on the need for transparency in economic decisionmaking in all countries and, to this end, we should begin a regional dialogue in Asia on the best ways to combat corruption.

There is also a growing recognition that sound economic policies are far more likely when governments are accountable, the press is free, and courts are independent. We do not fully understand the causes of the financial crisis. Not every country that was hit hard is authoritarian, and not every country that escaped is a democracy.

And, yet, in democracies like Thailand and South Korea, newly elected governments have been able to start work with a clean slate, in a climate of openness, and with the legitimacy to call for shared sacrifice. Indonesia has had a harder time, at least in part, because it lacks similar public participation in decisionmaking.

Another challenge that calls for new thinking and new resolve is that posed to the health of our planet by global climate change.

Here, our choice is clear. We can continue pumping more and more greenhouse gases into the atmosphere and let future generations deal with the consequences, or we can act now to control emissions and limit the environmental harm.

In Kyoto last December, we took an essential step in the right direction. There, for the first time, industrialized nations agreed to mandatory emission targets. This is appropriate because if we are to slow global warming, the wealthiest nations must show the way.

But we must also understand that we will not find a solution unless developing countries participate, for their emissions will begin to surpass those of the developed world within the next 30 years. It is

vital, therefore, that we get across the message that sound environmental practices and economic growth are not incompatible but, rather, two sides of the same coin.

As President Clinton has said about the American experience,

For decades, every time we sought to improve the environment, someone has stood up and said, if you take this step to clean the air, to clean the water, to improve the health of the food supply, you will cost jobs and hurt the economy. And for decades, every single step we have taken to improve the environment has helped the American economy.

So we need to work together to persuade the developing countries that it is in their interest, and the world's interest, that they participate in appropriate and meaningful ways to combat global climate change.

This, like other challenges I have mentioned, will require us to talk at times about matters that have historically been seen as the internal affairs of other nations. Understandably, there is much sensitivity about this. Certainly, Americans would resent others trying to interfere in our affairs. But the question we must ask is what we mean by "interference" in this age of interdependence.

Clearly, when one country imposes its will on another, that is intervention. But when Japan and the United States work together to help a nation overcome civil war and find the path to true democracy as we are trying to do in Cambodia, we are not imposing—we are helping a long-suffering people to realize its hopes.

When we give assistance and candid advice to a neighbor experiencing an environmental crisis, we are not intervening in an internal matter but dealing with a regional threat. When we deny aid and investment to

a government such as Burma's that stifles democracy and brutally represses human rights, that is not interference. That is recognizing and standing up for the clearly expressed will of the Burmese people.

In these and other areas, we are trying to accomplish as much as we can multilaterally by establishing common standards of international behavior and by building institutions to advance and enforce those standards. We have made a strong start in Asia through organizations such as APEC, ASEAN, and the ASEAN Regional Forum. And the United States believes we should strengthen the United Nations by adding Japan and Germany as permanent members of the Security Council.

In every part of the world, our two countries have encouraged the growth of institutions that bring nations closer together around basic principles of democracy, free markets, respect for law, and a commitment to peace. This effort has brought us closer together as well.

. . . From Europe to Africa to Asia, we are leaders with a common purpose. We share an awesome responsibility to help guide with wisdom the rushing currents of political and technological change. And I hope that you—the young people of Japan; you who are Japan's 21st century—will see to it that your country builds on this tradition of leadership—and of partnership with your friends across the Pacific.

I pledge that the United States will do the same. And, together, let us not be satisfied with what we have accomplished but, rather, let us make our friendship an ever-building force for freedom and peace and dignity and prosperity for our peoples and for all peoples. ■

*Address to the Commonwealth Club  
San Francisco, California  
June 24, 1997*

. . . Forty-seven years ago, another Secretary of State—Dean Acheson—addressed this club on the subject of Asia. He spoke of a turbulent continent on which more than a half- billion people had just emerged from colonial status into independence. Women and men in nations such as India, Pakistan, Indonesia, and the Philippines were spurred on by a fierce desire to be free of foreign domination and by a deep hunger for the fruits of a better life.

In China, Secretary Acheson saw these same aspirations for independence and growth stymied by a revolutionary movement influenced by the Soviet Union and captured by a misguided ideology. He spoke of the disillusion of many Chinese who had hoped their new rulers would clear the way for economic development. And he cited a friendship between the American people and the people of China that had been tested and proven during the firestorm of World War II.

From our vantage point, we see confirmed what Acheson could only predict: that the newly free nations of Asia would one day “participate fully and equally in the international community.” We see confirmed the potent power of nationalism and the desire for economic advancement. And we see confirmed Acheson’s fear that China’s march to prosperity would be long delayed.

But if Acheson were here today, I suspect he would update his prognosis. In a little more than 2<sup>1</sup>/<sub>2</sub> years, we will arrive at the year 2000. If the computers don’t all break down and send us back to the

horse and buggy age, we can expect that the pace of technological, social, economic, and political change will continue to accelerate.

And we can expect that one of the forces propelling that change will be a China that has reached the threshold of a new era in its 4,000-year history; a China increasingly liberated from the communist straitjacket, increasingly engaged in global commerce, and increasingly prominent in regional and world affairs.

In our own country there are some who see this increasing interest in China as very bad news. They point to China's rising military budget, its trade and arms export policies, and its poor record on human rights and say that we should oppose China, seek single-handedly to isolate it, end normal trade relations, and issue threats. To them, confrontation is the only principled option we have. I do not agree.

Effective diplomacy results not from the recitation of principle alone, but from backing principle with realistic policies; from seeing that what is worth achieving is achieved. And with respect to China and the United States, there is much that is worth achieving.

America has a security interest in seeing a China that neither threatens nor feels threatened as it advances more fully onto the world stage. We have a political interest in seeing a China that enjoys good relations with its neighbors and that plays a constructive international role. We have an economic interest in a China that opens its vast market and understands that it has a stake in a global system based on the rule of law. And we have an interest, as a people, in encouraging the development of a government in Beijing that observes international standards of respect for human rights.

In pursuing our goals, we have a variety of tools but no magic wand. At least for the foreseeable future, we will have serious differences with China. A policy of confrontation would lock those differences in.

Instead, our policy is to seek to advance our interests with China by engaging in a strategic dialogue aimed at narrowing differences and identifying areas of common ground. For example, until a few years ago, China was selling dangerous weapons and advanced technologies with little discipline and no accountability.

Since we began our dialogue, Beijing has supported extension of the nuclear Non-Proliferation Treaty, signed a ban on explosive nuclear tests, ratified the Chemical Weapons Convention, and agreed to abide by rules that restrain the export of advanced missile systems and technologies. China has also curtailed its nuclear cooperation with Iran and pledged not to assist unsafeguarded nuclear facilities in other countries.

All this is important and should matter to every American. But it is not enough. China still maintains weapons supply relationships that we consider dangerous, and its system of export controls is inadequate. In April, we imposed economic sanctions on Chinese companies for aiding Iran's chemical weapons program. And we will take further appropriate actions if warranted.

A second topic of our discussions with China concerns our shared interest in stability on the Korean Peninsula, where earlier this century more than 50,000 Americans and hundreds of thousands of Koreans died resisting aggression, and where 37,000 U.S. troops are stationed still.

The tensions here may seem a relic of Cold War passions, but they are real, the stakes are high, and China's history of good relations with Pyongyang enables it to play a potentially crucial role. In 1994, with China's cooperation, we convinced North Korea to freeze—and pledge to dismantle—its dangerous nuclear program. This preserved the peninsula's stability for the short term while preparing the way for discussions that may ultimately lead to full reconciliation.

A third issue in our dialogue with China is Taiwan. The principles that guide us are set out in the 1972 Shanghai and two later communiques in which the United States recognizes the authorities in the P.R.C. as the sole legal government of China. At the same time, under the Taiwan Relations Act of 1979, we maintain strong unofficial ties with the people there.

These U.S. policies have contributed to stability, security, and prosperity for all three parties. But this remains an intensely emotional issue. American policy must be consistent. Leaders in Beijing and Taipei must avoid miscalculation. And differences must be resolved patiently, without violence, and on the basis of free and mutual consent.

On economic matters, our dialogue is focused on continuing the trend toward a China that is more open and more fully a part of the international system.

The desire for higher living standards, which Secretary Acheson identified as a determining force in Asia 50 years ago, is a driving force in China now. Reforms begun under Deng Xiaoping have created thriving areas of growth outside the stagnant state sector, while lifting millions out of poverty and laying the basis for a market economy.

But as the Chinese themselves recognize, continued growth will require continued reform. The resource-sapping state enterprises have to be restructured. The financial system has to modernize. The growing economic disparity among China's regions has to be addressed. And China will have to make the hard choice to open its market further and observe the international rules of the game on trade.

All this matters not only to China, but to us, for the United States has both an economic and a strategic stake in whether China's reforms continue and succeed.

Commercially, we are encouraging China to join the World Trade Organization (WTO) under rules that would require it to end unfair trade barriers, permit judicial review of trade activities, enforce its trade laws uniformly, and use WTO procedures to settle disputes. If China enters the WTO under these terms, it would give the U.S. more access to China's market, boost our exports, reduce our trade deficit, and create new, well-paying jobs.

Even more important are the strategic benefits both for us and China if Beijing is able to meet the needs of its people in a manner that does not threaten others and that steadily increases the exposure of Chinese society to new technologies and ideas.

Such a China would likely place a high value on stable relations with its neighbors, have a strong interest in preventing the proliferation of weapons of mass destruction, and be disposed to build on progress already made in combating the global threats of pollution, terrorism, and crime.

Such a China might also begin to change in an area where we currently have very fundamental differences and that is with respect to human rights. The United States believes that certain basic rights are universal and have been so recognized internationally. Among these are the freedoms of speech, assembly, religion, and the press.

We also believe that legitimate political power flows from the people. Some say this is wholly a Western concept, but that argument is belied by the growth in democracy worldwide, and by writers as venerable as the Confucian disciple Mencius, who wrote more than 2000 years ago that "The people are the foundation of the state; the national altars are second; and the sovereign is the least important of all."

It is true that people in China today generally have more options in their daily lives than did their

parents. And progress has been made in revising civil and criminal law and in permitting choices in village elections.

But China's overall record on human rights remains dismal. Religious harassment is common, organized political opposition is thoroughly stifled, and dissidents such as Wei Jingsheng and Wang Dan have been imprisoned for years for daring to advocate democracy.

We believe those imprisoned for the peaceful expression of political, religious, or social views should be released. We have urged that international humanitarian organizations be given access to prisoners. We have stressed the value of resuming talks between Beijing and one of your former speakers here at the Commonwealth Club, the Dalai Lama, for the purpose of preserving the unique heritage of Tibet.

With others if possible, but alone if we must, the United States will continue to shine the spotlight on human rights violations in China, as we do elsewhere around the globe. We have also pledged to work with Congress to obtain increased funding for Radio Free Asia and Voice of America broadcasts to promote the free exchange of ideas in China. And we will continue to raise human rights issues directly with officials in Beijing.

The prospects for improved U.S.-China relations and China's standing in the world will be affected by what happens on the far side of midnight in Hong Kong 6 days from now.

Hong Kong has been under foreign control for longer than San Francisco has been part of the United States. Next Tuesday, it will peacefully reenter the Chinese nation as the crown jewel of Asia's economic emergence. Although possessing a uniquely international outlook, Hong Kong has retained its Chinese ethnicity and character. And polls indicate that the majority of Hong Kong's people favor its return.

Next week's feasting and fireworks will not, however, tell the full story. The world will be watching to see if Beijing meets its pledge to maintain Hong Kong's autonomy, market economy, and way of life for decades to come.

If that pledge is kept, China will benefit from its own huge investment in the Hong Kong economy, while integrating itself more fully into the international community and enhancing prospects for improved relations both within its own region and with the United States. If the pledge is not kept, China's international standing will be tarnished, and the freedom and continued prosperity of the Hong Kong people will be in doubt.

I look forward to representing our country at the transfer ceremony. My presence will reflect America's interests in Hong Kong, which range from our stake in law enforcement cooperation to the more than 1,100 U.S. companies that operate there to the example of a Hong Kong whose glittering success is based firmly on free markets and the rule of law.

I will bring to Asia a message of vigorous American support for the continued freedom and autonomy of the Hong Kong people. We do not believe it will be possible to preserve Hong Kong's way of life without preserving civil liberties. Nor will it be possible to sustain Hong Kong's prosperity without preserving the elements of good governance—an independent judiciary, a respected civil service, an honest system of customs, an open investment regime, and leaders that are accountable to the people.

The United States is a friend to democracy in Hong Kong, as elsewhere. We know that the people of Hong Kong value their freedoms. And we expect those with authority, whether in Beijing or Hong Kong itself, to meet fully the obligations spelled out in the Sino-British Joint Declaration of 1984 and the Hong Kong Basic Law.

Earlier this year, China arranged the appointment of a provisional legislature to replace the current elected one and to serve until a new election is held. The United States believes this action was unjustified and, since the provisional legislature includes 10 members defeated in the 1995 elections, it was also at odds with the popular will. As a result, I will not participate in the swearing-in ceremony for the legislature when I visit Hong Kong. And we will be watching closely to see if free and fair elections for a new legislature are conducted—as promised—at an early date.

Last April, President Clinton and I met with Martin Lee, a democratic leader in Hong Kong, who urged America to stay engaged with China on Hong Kong and other issues. He also expressed alarm at the proposal to end “most-favored-nation,” or normal trade relations with China. Such an action would cost Hong Kong an estimated 85,000 jobs and \$30 billion in annual revenues.

It is expected that this issue will be voted on by the U.S. House of Representatives—and I am very happy to tell you, having just gotten the signal, that the resolution to defeat most-favored-nation was itself defeated quite soundly.

Trying to influence China by denying to it the trade status we accord most other countries is analogous to a doctor performing surgery with a crowbar; the intentions may be good, but the prospects for success are not. I thank very much the Members of the House of Representatives who voted with us in doing the smart thing.

Aside from the impact on Hong Kong, ending MFN would severely damage our overall leadership in Asia, while reducing prospects for Chinese cooperation on issues of strategic importance to the United States. These include North Korea, proliferation, Taiwan, the global environment, and matters coming before the UN Security Council, of which China is a

permanent member. What's more, denial of MFN is opposed by many leading Chinese dissidents and by U.S. groups involved in religious outreach in China because they want China influenced—not isolated—by the international community. Now that this year's debate is over, it is a very good time to take stock.

We know that ending normal trade relations with China would not be productive. But just as clearly, a policy of acquiescence in which we fail to make clear to China our own views and values would not be appropriate. This argues, at least generally, for the current U.S. approach, not because it guarantees instant results, but because it serves American interests and reflects the reality of the U.S.-China relationship over the long term.

Engagement is not the same as endorsement. Our approach includes frank talk about differences. When warranted, it includes targeted sanctions or other appropriate measures to make tangible our disapproval. But it also includes an active search for areas where we can work with China for our own benefit and that of the region and the whole world.

Today, the economic and security future of Asia is not a zero-sum game. China has the ability to pursue its prosperity and maintain its security without harming its neighbors or Taiwan.

The United States can—and will—maintain its alliances and other interests in the region without threatening the legitimate rights and interests of any other country. Our allies and partners in the region are thoroughly defense-oriented. And the nations of Southeast Asia are committed through ASEAN and the ASEAN Regional Forum to resolve existing territorial and other disputes peacefully.

Some might agree with this assessment, but insist it is only temporary, that Beijing and Washington are destined to become bitter enemies as China's economic and military power grows.

The Administration does not base its policy on any assumptions—positive or negative—about the future. But we are not prepared to make the less desirable outcome more likely by treating it as inevitable. Nor can we disregard the powerful currents of change that are working to keep China on a cooperative rather than a confrontational track.

Every day, in universities from Seoul to San Francisco, Chinese students are learning how systems based on open markets and the rule of law operate. Every week, thousands of Chinese are added to the payrolls of companies that operate under a free enterprise system, while many others go into business for themselves.

The ideology that drove earlier generations of Chinese leaders cannot guide the world's largest country into the next century. Beijing's new leaders know this. And they know that the shift from central planning to private enterprise cannot be reversed except at enormous economic and social cost.

Regardless of the policy choices we make, China will be a rising force in Asian and world affairs. The history of this century teaches us the wisdom of trying to bring such a power into the fold as a responsible participant in the international system, rather than driving it out into the wilderness of isolation.

Domestically, we Americans should not let the differences aired in the debate over U.S.-China trade issue obscure our agreement on long-term goals. Whether our particular interest in China is diplomatic, security, commercial, or humanitarian, our overriding objective is to encourage China's integration into a regional and global system designed to solve problems peacefully and in accordance with law.

. . . Forty-seven years ago, Dean Acheson told this historic club that Americans

are interested in the peoples of Asia as people. . . .

We do not want to deny them any opportunity, any freedom, any right. We do not want to use

them for any purpose of our own. . . the basic objective of American foreign policy is to make possible a world in which all peoples, including the peoples of Asia, can work, in their own way, toward a better life.

So much has changed since those remarks were made. But American purpose has not changed.

Whatever choices others may make, America will keep its commitments. We will honor our principles, we will defend freedom, and we will keep open the hand of friendship to all who will work with us to make the next century a golden era for the Golden State, our nation, and the world. . . . ■

# Southeast/ Southwest Asia

*Intervention at Sixth ASEAN Regional Forum  
Singapore  
July 26, 1999*

. . . As we scan the horizon in the Asia-Pacific today, we see potential dangers and real opportunities for progress. This poses a test of leadership and vision for us all. Together, we must strive to build on shared interests, increase mutual confidence, resolve differences, and create the basis for lasting stability, prosperity, and peace.

## **The Security Implications of the Asian Financial Crisis**

Last year. . . large parts of the Asia-Pacific were experiencing or threatened by economic and financial crisis. There was real concern that the crisis would spread and produce instability that would undermine security and political relationships in the region.

The crisis has caused very substantial hardships and suffering. And as a matter of economic and social policy, we have much left to do to restore growth and help those most affected get back on their feet.

But in the realm of security, we can be thankful that our fears have not been realized. In fact, one effect of the crisis has actually been constructive. The changes in government that may be traced, at least in part, to economic disruptions have been generally positive. As a rule, the new governments in our region have shown a deeper understanding and commitment to financial transparency, political openness, and democratic principles than their predecessors.

This bodes well for the stability of these governments and for our ability, as a group, to work together effectively on security concerns.

### The Strategic Relationship of the Major Powers and Its Impact on the Region

In the Asia-Pacific region, as elsewhere, mutual security depends on mutual cooperation and effort. To these ends, the United States continues to play an important and constructive role.

This is reflected in our treaty alliances with five major countries in the region. It is shown by our effort to develop strong and multifaceted bilateral relationships with key nations, including fellow members of the UN Security Council. It is illustrated by our forward-deployed military presence. And it is evidenced by our strong support for regional and subregional dialogues aimed at resolving hard problems and preventing conflicts.

The cornerstone of our support for stability is our alliance with Japan—an alliance our two governments have taken steps to modernize during the past few years.

As we have previously made clear, the new U.S.-Japan Joint Security Guidelines we have developed are situational, not geographical. They are not directed against any particular country, nor were they devised with any particular contingency in mind. Rather, they are needed to update our alliance in a

manner that reflects the realities and complexities of the new era. Japan's fundamental defense policy is unchanged.

Together, the United States and Japan have contributed much to regional stability by supporting the Agreed Framework on Korea and other nonproliferation measures, by encouraging democratic development, and by working along with the IMF and World Bank to facilitate economic recovery.

America's relationship with China is also a key to the Asia-Pacific's future. My government is strongly committed to its policy of purposeful and principled engagement with China. This approach serves the interests of both our countries and of the region, as a whole. In recent years, it has yielded important dividends toward controlling the spread of weapons of mass destruction and promoting stability on the Korean Peninsula.

During the past few months, several events have complicated Sino-U.S. relations. We believe these matters should be dealt with in accordance with the fundamental logic underlying our strategic dialogue. That logic provides no guarantee of agreement, but it does envision diligent and good-faith efforts to avoid misunderstandings and narrow differences where possible.

The United States also seeks to cooperate with Russia, not only on European security, but on matters affecting the Asia-Pacific as well. For example, we are determined to intensify our discussions with Moscow on how to jump-start the process of strategic arms reductions and to deal with new missile threats without abrogating the Anti-Ballistic Missile Treaty. Success in these efforts would make Asia and the entire world more secure.

More generally, we welcome initiatives by nations within the region to strengthen bilateral relationships. Last May's successful visit by Korean President Kim Dae-jung to Moscow has the potential to contribute significantly to security

cooperation in the future. The same is true of the important steps that have been taken by national leaders in Japan, China, and the Republic of Korea to promote closer ties and deeper mutual understanding.

### **The Security Environment and Challenges in Southeast Asia**

**South China Sea.** Along with many other countries, the United States is increasingly concerned about rising tensions in the South China Sea.

Several nations have sought recently to bolster their claims in the area by building or upgrading outposts. Incidents at sea have multiplied, tensions have risen, and we have all been reminded that unresolved territorial disputes can spark violence that leaves no one better off.

The stakes are too high to permit a cycle to emerge in which each incident leads to another with potentially greater risks and graver consequences. We cannot simply sit on the sidelines and watch. Nor can there be any doubt that this is an appropriate forum for discussion of this issue. All members of the ARF have an interest in peace and stability in the South China Sea.

So we must ask ourselves whether we are doing all we can to find diplomatic approaches, identify confidence-building measures, and take other concrete steps to stabilize the situation and make a peaceful resolution in the area more likely.

**Indonesian Democratization.** The United States congratulates the people of Indonesia for the successful and nonviolent conduct of their historic June 7 national elections. All segments of Indonesian society deserve credit for this major stride toward meaningful multiparty democracy.

As Indonesians are the first to recognize, however, additional hurdles must be surmounted before their journey will be complete. Foremost is the

need for the People's Consultative Assembly to act with transparency and integrity in selecting the next president.

**East Timor.** The deployment of the UN Mission in East Timor is a positive development. With others, we encourage both pro-independence and pro-integration East Timorese to work together to build a future better than the past.

We are deeply concerned, however, by continuing violence that could create an atmosphere of intimidation and preclude a fair referendum. We look to the Indonesian Government to meet its obligation to create a secure and credible environment for the August vote.

**Burma.** Burma continues to pose a threat to regional stability because of the government's failure to prevent widescale narcotics production and trafficking activities and because its repressive policies have created strife and caused the outflow of refugees.

The United States urges Burma to shift direction and begin a dialogue with the democratic opposition, including Aung San Suu Kyi and other representative groups. We support the UN role in encouraging this and are disappointed that Special Envoy DeSoto has not yet been able to return to Burma, despite several requests over the past 6 months. We call upon the Burmese authorities to allow such a visit as soon as possible.

## **The Security Environment and Challenges in Northeast Asia**

The central security challenge in Northeast Asia is to preserve stability on the Korean Peninsula. We urge all participants in this Forum to support efforts to that end.

We cite, specifically, President Kim Dae-jung's policy of engagement with the Democratic Republic of North Korea (D.P.R.K.), the Four Party Talks, and

the policy review led by former U.S. Secretary of Defense William Perry. These initiatives have in common a desire to reduce the isolation of the D.P.R.K., address humanitarian needs, and prevent potentially destabilizing military developments.

Leaders in the D.P.R.K. should be in no doubt about the willingness of the Republic of Korea (R.O.K.), the United States, Japan, and others in the region to respond positively and substantively to constructive actions and concrete indications of restraint on their part. They should also know that such steps would be profoundly in the interests of their people who suffer greatly from North Korea's dismal economic situation.

The United States encourages the D.P.R.K. to take advantage of the opportunity that now exists to improve relations and to begin to participate more fully in the economic and political life of the region. We also encourage all nations to continue to support implementation of the Agreed Framework in recognition of its contribution to regional stability.

### **The Security Implications of Transnational Issues: Nonproliferation, Terrorism, and Transnational Crime**

**Nonproliferation.** There is no more important global or regional security challenge than strengthening the nuclear nonproliferation regime. To this end, the United States is working for timely entry into force of the Comprehensive Test Ban Treaty, promoting negotiation of a fissile material cutoff treaty and, in the interim, seeking a moratorium on fissile material production, striving to strengthen the nuclear Non-Proliferation Treaty through the NPT review process, urging support for strengthened IAEA safeguards, and discussing with Russia how best to continue reducing our stockpiles of strategic weapons.

Other advanced weapons technologies concern us as well. Thus, we are working to strengthen controls on ballistic missiles and other sensitive technologies, striving to give teeth to the Biological Weapons Convention, and moving to implement the treaty that seeks to banish poison gas worldwide.

The dangers posed by these categories of weapons and technologies are clear. It is in the interests of every country represented here to contribute in every way it can to international nonproliferation efforts.

**South Asia.** Last year's nuclear and missile tests have intensified the spotlight on proliferation issues in South Asia. We urge both India and Pakistan to avoid steps that would lead to an arms race and hope that both will sign the Comprehensive Test Ban Treaty and support negotiation of a Fissile Material Cutoff Treaty in Geneva.

**Terrorism.** Governments participating in this Forum are united in their opposition to international terror, which has claimed victims in every part of every continent on Earth. The United States urges the ARF to serve as a regional rallying point for effective international action to deter and disrupt terrorist networks and to oppose those who finance, harbor, and support them. By making life more complicated and less secure for terrorists, we will make it better and safer for our citizens.

**Transnational Crime.** Whether directly or indirectly, transnational crime harms us all. Left unchecked, it can fray the fabric of our societies and threaten the security of our nations. We believe this Forum has a distinctive contribution to make in this region's fight against transnational crime. We support the proposal to convene an experts group to consider how best to deal with such issues as small arms trafficking and piracy and armed robbery at sea.

. . . We see particular value in a willingness on the part of member states to reduce tensions and build trust by voluntarily briefing other members on

issues affecting regional security. We hope this approach can become a regular element of the ARF process.

The United States also supports the idea of establishing a “good offices” role for the ARF Chair, so that ARF members to a dispute could call on the Chair for assistance. This would be done on a strictly voluntary basis and would be similar to the role played by the ASEAN Troika in Cambodia.

We recognize that this Forum’s evolution must proceed at a pace with which its members are comfortable. We acknowledge that we are likely to progress in increments, not giant leaps. It is important, however, that we continue to move in the direction of concrete and effective security cooperation. It is in that spirit that we look forward to further examination of preventive diplomacy. ■

*Remarks to Radio Free Asia's  
Special Broadcast to Burma  
Washington, DC  
May 27, 1999*

May 27, 1999, marks the ninth anniversary of the last free elections held in Burma, the last time the people of that country had the opportunity to express their own will about how and by whom their nation would be led. By an overwhelming margin, the Burmese chose candidates from the National League for Democracy, or NLD, which won more than 80% of the parliamentary seats.

Tragically, the results of that election were not accepted or recognized by Burma's military junta. Instead of yielding power, the military has abused it, denying the people of Burma not only democracy but virtually any free expression of political and other basic human rights.

The United Nations General Assembly, the European Union, the United States, and many others have urged the junta to change its policies and put Burma back on the democratic path. We have pointed out that the prosperity and long-term stability of Burma depend on a political system that reflects the views and hopes of the Burmese people. And we have stressed the importance of initiating a meaningful dialogue with the democratic opposition, including the leader of the NLD, Aung San Suu Kyi, and with representatives of ethnic minority groups.

Unfortunately, the military authorities have responded by making a terrible situation even worse. They have placed more than 150 democratically elected members of Parliament under arrest. They have repeatedly harassed and sought to intimidate the NLD. They have continued to repress fundamental freedoms of political organization, assembly, and speech. And they continue to increase military expenditures, while devoting few resources to education and health.

The people of Burma are paying a terrible price for the arrogance and brutality of their leaders. Burma's economy is sliding further and further behind its Asian neighbors. Burma's universities are closed. The country is plagued by a terrible outbreak of HIV/AIDS, which has been aggravated by the nation's status as a leading center of the drug trade. The authorities in Rangoon have promised their people stability, prosperity, and democracy but have delivered on none of those promises.

The United States has sought consistently to encourage political liberalization and respect for human rights in Burma. During my visit to Rangoon in 1995, I urged the military leadership to begin a process that would lead to multiparty democracy. Others have echoed this call. And we have backed our diplomacy with measures to prevent the sale of arms, bar new investment, and restrict visas for senior government leaders and their families. Other countries, particularly the European Union, have instituted similar policies.

On this ninth anniversary of the last free elections in Burma, our message to the Burmese military is to reverse course and begin to move in a democratic direction. In recent decades, peaceful transitions to democracy have occurred on five continents. There is no reason it should not happen in Burma and no reason for the military to fear that its own rightful role in Burmese society would be jeopardized as a result.

Our message to the NLD and other democratic forces in Burma is to have faith. The world is aware of your struggle and deeply sympathetic to your cause. We will continue to support your right to a voice in determining the future of your country and we look forward to the day we can welcome a democratic Burma into the community of free nations. ■

*Remarks at the Borobudur  
Intercontinental Hotel  
Jakarta, Indonesia  
March 5, 1999*

I am . . . pleased to have a chance to speak to this diverse audience this afternoon, and the subject I would like to discuss is “Indonesia, the United States, and Democracy.”

. . . When I am asked by audiences in my own country about the significance of events here in Indonesia, I begin by pointing to the obvious: your large population, your strategic location, the wealth of your resources, the beauty of your environment, and the breathtaking richness of your many cultures.

I go on to mention Indonesia’s global role as cofounder of the Non-aligned Movement, as a member of OPEC and a respected participant in the OIC, and as the nation with the most followers of the Islamic faith and a vibrant center of Islamic thought. This strikes a responsive chord in the United States where Islam is our fastest-growing religion and is already practiced by millions of our citizens.

I also emphasize Indonesia’s role as a regional leader; a driving force behind ASEAN; the founder of the ASEAN Regional Forum; a major player in APEC; and historically a model of tolerance, of “unity in diversity,” or as your national motto says: “Bhinneka Tunggal Ika.”

This, too, strikes a responsive chord in my country because America’s motto is similar: “e pluribus unum,” which, before you get out your

dictionaries, is Latin, not English, and means “out of many, one.”

This similarity in mottos reflects the parallel origins of our own two countries. Both were born in a struggle for independence against colonial rule. Both had visionary leaders who united a diverse population over a vast area. And both were founded on a commitment to freedom.

Fifty years ago, in the wake of the Hague Conference affirming the full sovereignty of the United States of Indonesia, America’s representatives to the United Nations said: “We have only to consider the difficulties which often attend the struggle of a people for independence to be struck with the restraint and maturity of judgment which the Indonesians have exhibited.”

Restraint and maturity of judgment are hard qualities to come by in the best of times. And they are especially rare when most needed, which is during periods of turbulence and uncertainty. But they are crucial to the hard work of building a democracy. I think you would agree they are as vital in 1999 as they were in 1949.

The past 18 months have been, for many Indonesians, a time of living bravely. Most have responded with courage and steadiness to a whirlwind of change.

In this period, you have been buffeted by the shock of financial crisis, by demonstrations and riots, and by the outbreak of violence in several provinces. Your response has included a change in leadership, the enactment of new political laws, the scheduling of elections, and the adoption of a fresh approach to East Timor. These events and more have commanded the world’s attention and profoundly altered Indonesia’s course.

I have looked forward to visiting your country because I knew it would allow me to meet the people who will be long-remembered for choices made and

actions taken now and in the months immediately ahead—for Indonesia has the chance for a new birth in freedom, and you have the opportunity to create, in a distinct Indonesian way, not a partial democracy or a sham democracy, but a real democracy.

You will be thanked by your children and by your children's children if you are able to seize this opportunity—if you are able to create a society in which decisions about national policy are made at the ballot box and through public debate, not behind closed doors or by a handful of privileged men.

Since last May, your friends in the region and in the United States have watched closely as you have begun to travel up this hope-filled road. In that time, you have reinvigorated institutions that had been suppressed for too long.

You now have a Parliament that debates real issues and enacts laws that matter; a press that is vigorous and free; opposition political parties that are independent and serious; labor unions that are active; and on June 7, for the first time in 44 years, you will conduct elections, the results of which are not known in advance.

I think you will agree that, if political stability is to be assured and the economy revived, it is essential that the elections be credible, fair, and free. These qualities are easy to list, but not so easy to make real. And while the electoral process has gotten off to a good start, much work remains to be done. Of course, the United States does not support any particular candidate in the election, but we do support the process.

With new rules, new parties, and a new electoral system, there will be many technical problems to overcome between now and June. These include the establishment of a neutral and effective election commission, massive voter education, and the training of hundreds of thousands of poll-workers and election observers.

But there are larger challenges, as well. For nothing is more vital than preserving peace during the election campaign so that candidates feel free to express themselves and citizens may vote without fear. And nothing is more central to the integrity of the process than preventing “money politics” from having a corrosive influence on any aspect of the election. These are issues for Indonesians, both in and outside of government, to work out—for this is an election by and for Indonesia.

But the international community can help. A vast body of knowledge has been accumulated in recent years about how to conduct free and fair elections. Some of the best international non-governmental organizations have been welcomed under Indonesia’s agreement with the United Nations and are hard at work providing technical assistance.

The winners in June and the president selected at the end of the year will face an array of challenges. The responsibilities of leadership are many, but those who do not win will also have a responsibility. . . .

And if democracy is to flourish, both the leaders and the opposition must participate in government constructively, settle differences honorably, and place the best interests of the people first.

I know that, in Indonesia, there are key and controversial issues that go back to the time of independence. These include the powers of the president and Parliament, the relationship of the armed forces to the political life of the nation, and the allocation of responsibility between the central government and the regions. The advantage of a democratic system is that it creates the means for addressing such issues peacefully and in ways that reflect the popular will.

Of course, elections are not an end but a means. They can put into office a government that has legitimacy and commands public confidence. But if

the government is to retain that confidence, it must act in a manner that strengthens the full range of democratic institutions. And it must produce results.

This will not be easy. I don't need to tell you that Indonesia was dealt an economic body blow by the financial crisis. It was like a wrecking ball to your expectations and dreams. Three decades of sustained growth came to an abrupt end, unemployment skyrocketed, and millions of people fell back into poverty through no fault of their own.

I am told there is an old adage that even if the heavens were to crash down, there is a hole through which to rise up. And even if taken in a tiger's teeth, there is a way to survive.

Indonesia has emerged from crises before. And because it is choosing the democratic path and beginning to face problems squarely, it has the potential to become stronger, more prosperous, and free than it has ever been. Unfortunately, there is no specially marked button you can push that will bring you overnight into the new dawn that Indonesians seek and deserve. The process of recovery is a climb taken not by elevator but by stairs.

Progress has already been made in stabilizing the economy, addressing humanitarian needs, and introducing structural reforms. But hard problems such as bank and corporate restructuring and the settlement of debts are still being faced.

To move ahead, the commitment to open markets and free and fair competition must be reinforced. And the struggle to ensure good governance, enhance transparency, and expose corruption must intensify.

Indonesia's future is in your hands. But just as responsibility for the financial crisis must be widely shared, so the process of recovery must be a multinational enterprise.

As Indonesia proceeds with reforms at home, the United States is striving with allies and friends and with the international financial institutions to create a

healthier climate for recovery. We have also expanded dramatically our bilateral assistance. Since the fall of 1997, we have provided more than \$300 million for purposes ranging from economic reform to meeting urgent humanitarian needs.

A second set of challenges for your leaders and for all Indonesians will be to strengthen the rule of law, so that citizens will have confidence that their security will be protected and their rights respected.

This is a challenge that all societies must face and that none, including the United States, ever achieves perfection. It requires legal systems that are efficient and courts that are independent and fair. It requires that the rights of all be protected regardless of ethnic, religious, or cultural background. And it requires that those who enforce the law also observe the law.

When these requirements are not sufficiently met, the rule of law breaks down, people lose confidence in their government, and the Pandora's box of violence is opened. Today, in Indonesia—as we've seen so recently and tragically in Ambon—violence is the enemy of democracy, security, and prosperity.

That is true whether the violence in question is motivated by criminal greed, religious or ethnic rivalry, the yearning for political change, or the desire to preserve privilege and prevent political change. In each of these cases, violence rips at the social fabric, instills fear and intolerance, disrupts economic activity, and hinders rational debate.

As I discussed with Indonesian officials earlier today, in any country there is a burden on the military and police to preserve stability without engaging in human rights abuses that serve, over time, to provoke new instability. This can be difficult, but—especially during the run-up to the elections—it is absolutely essential to be done. Like others who live

in democracy, Indonesians have a right to expect security from violence and a right to security institutions that serve no interests but those of the people.

A third challenge for the next government will come from the rising pressure for greater regional autonomy. This is a highly sensitive issue and a source of past conflict. It must be addressed. The United States supports the unity and integrity of the Indonesian nation, and we have faith in the ability of Indonesia's leaders to develop fair and widely backed solutions.

One region, which differs historically from the others, is East Timor. Here, the recent shift in your government's position has raised both opportunities and dangers. The opportunity is to resolve this longstanding dispute in a peaceful manner that respects the views and rights of East Timor's people and reflects well on Indonesia. The danger is that too abrupt a transition could result in violence comparable to that which followed Portugal's withdrawal in 1975. We must learn from history, not repeat it.

The Habibie government deserves credit for its willingness to consider new alternatives and thereby invigorate the negotiating process. The stage has been set for a peaceful determination of East Timor's future. But the need now is for pragmatism and willingness to do hard work on transitional arrangements—for the goal must not be simply to slice East Timor apart or cast it adrift but, rather, to ensure its cohesion and viability—whether through autonomy or independence.

This means that vigorous steps must be taken to break the cycle of violence on the ground, even as the negotiations continue. A further escalation of hostilities could render any diplomatic outcome moot.

That is why the United States fully supports the formation of a broad-based "Peace and Stability Council" to calm the insecurities and ease the tensions that have generated a highly charged

atmosphere within East Timor. We see an urgent need to stabilize the situation through the disarmament of all paramilitary forces, as Xanana Gusmao has proposed and General Wiranto supports.

We favor confidence-building measures, such as a reduction in the number of troops and an international presence to reduce the prospects for future violence. We believe preparations must be made now for a modification in status so that East Timor can succeed socially and economically. And we believe it is essential that a credible means be identified for determining the will of East Timor's people, because a settlement that does not reflect that will cannot last and will not succeed.

The economy, the rule of law, and regional issues are but three of the many challenges Indonesia is confronting. Obviously, there are many more, including the global issues to which all nations must respond, such as the preservation of the environment.

Events here in Indonesia this past year and in the world throughout this decade, remind us how vital it is that leaders be not just strong, but also wise—for that is the difference between a tyrant and a teacher, between a Milosevic and a Mandela.

A leader with wisdom does not repress, or fear, or exploit his or her people. A leader with wisdom abhors the divisions generated by discrimination, stereotypes, and bigotry. A leader with wisdom fosters tolerance and brings people together so they can accomplish together what no faction could accomplish alone.

The tides of history have created a demand for wise and democratic leaders in Indonesia today. And they have placed enormous stress upon the Indonesian people—a stress that carries with it both real peril and immense promise.

A half-century ago, one of Indonesia's founding fathers said:

Struggle demands sacrifice, suffering, patience, and a conviction that our goals will be achieved. We must be prepared to fight on for a very long time and we must [make certain] that the base of our efforts is pure, because it is the purity of our goals which is our strength.

Bung Hatta spoke these words in an effort to rally the Indonesian people to fight on for the freedom and independence that were rightfully theirs.

Today, I would like to do the same. To urge you to fight on, in the midst of trying and turbulent times, until the pure goals of Indonesian democracy are finally achieved. In that fight, there are sure to be setbacks. Victory will not be achieved overnight.

But as I look around this room, I have confidence that, for Indonesia, the long-desired, long-delayed hour of true democracy is approaching; that the people of Indonesia—from Aceh to Irian Jaya—will prove equal to democracy's most difficult tests and thereby create for your country a future of justice and freedom, prosperity, and peace.

In that effort, you have the respect—and you may count on the friendship—of the people and Government of the United States of America. ■

*Press Conference at the Daewoo Hotel  
Hanoi, Vietnam  
June 27, 1997*

Good afternoon everybody. I am pleased to be here on my first visit to Vietnam. Before continuing on to Ho Chi Minh City, I wanted to say a few words about my talks this morning with the Prime Minister and the Foreign Minister about U.S.-Vietnam relations.

In recent years, Vietnam has moved steadily in the direction of greater openness to the outside world and greater participation in regional organizations. I made clear in our meetings today that the United States welcomes this. As I said at Harvard earlier this month, today the international system should be open to every nation that is willing and able to abide by its rules. This applies emphatically to Vietnam. America wants to see the Vietnamese people prosper and their society contribute to the well-being of Southeast Asia.

To this end, our two countries continue to make progress in normalizing diplomatic, political, and economic ties. Two months ago, we exchanged highly distinguished ambassadors. Today, Foreign Minister Cam and I announced the planned opening of consulates in Ho Chi Minh City and San Francisco, and we signed an important agreement to protect intellectual property. I have authorized the U.S. Trade and Development Agency for the first time to include Vietnam within the scope of its programs.

We had good discussions this morning about how to make progress in interviewing Vietnamese returnees from first-asylum countries for possible resettlement in the United States. Progress in the resettlement program is important for humanitarian reasons. It would also enable us to recommend waiving the Jackson-Vanik requirement and thereby permit Eximbank and other programs to operate in Vietnam.

Based on what I heard during my meetings, I am optimistic that we will see the kind of steady progress that will enable me to recommend to the President that we go forward soon with the Jackson-Vanik waiver. All these is to the good. But I also had to convey in the meetings this morning, our disappointment with the recent pace of economic reform. Over the past decade, the policy of renovation—“*doi moi*”—as served Vietnam well. But what is needed now is “*doi moi 2*”.

The key to economic integration and to a mutually beneficial bilateral trade agreement is for Vietnam to remove barriers to trade and investment, reduce the role of inefficient state monopolies, and create a legal framework in which foreign investors will have confidence and local entrepreneurs may thrive. This is not just an American view. To participate and prosper in today's global marketplace, societies must strive to ensure that their markets are open, contracts are honored, corruption is curbed, and competition is fair. It is also important to see progress on human rights, on which we recently held the fifth session in our bilateral dialogue. It is our view that Vietnam is holding itself back from greater international participation and respect through its failure to permit organized political opposition and a free press, its unwillingness to observe fully the right to religious expression, and its refusal to release prisoners of conscience.

As I stressed to Vietnam's leaders today, economic and political openness are two sides of the same coin. Ultimately, you cannot have one without the other. Both are required for development, and both depend on creation of a viable civil society and respect for the rule of law. Although U.S.-Vietnam relations are broadening, one issue remains paramount; that is, obtaining the fullest possible accounting of Americans still missing or otherwise unaccounted for in Southeast Asia. As Ambassador Peterson can explain—perhaps better than anyone else—Americans want to learn everything that can be learned about the fate of our countrymen. We are proud of the efforts being made by the Joint Task Force, from which I received a briefing this morning. We are pleased with the help we've received both from the government and from the people here. And we understand that ours is not a unique sorrow, for the burdens of loss are heavy as well among the families of Vietnam.

One of the great tests of our era is the ability of nations and peoples to overcome past differences and go forward together. That challenge, whether in the Middle East, the Balkans, Southeast Asia, or elsewhere, must be met, both at the bargaining table between governments and in the thoughts and actions of average citizens. Although the rate of forward movement may be deliberate by any measure, America and Vietnam are on the road to passing that test. For the United States, there is no better guide as our journey unfolds than Ambassador Peterson, whose own journey from airman to POW to legislator to diplomat is an inspiration for Americans and Vietnamese alike. . . . ■