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Asia Society: Waldorf-Astoria Hotel, New York 11/12/91 [OA 6039] [2]

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WHITE HOUSE STAFFING MEMORANDUM

91 NOV 8 P2:38

DATE: 11/8/91 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, 11/8/91 3:00pm

PRESIDENTIAL REMARKS: THE ASIA SOCIETY
NEW YORK - TUESDAY, NOV. 12 - 7:30 p.m.

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 3:00 p.m., TODAY, FRIDAY, NOV. 8, with a copy to this office. Thank you.

RESPONSE:

see attached

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

31 NOV 8 AIO: 53

Snow/Nix
Asia
Draft One
November 7, 1991

PRESIDENTIAL ADDRESS: THE ASIA SOCIETY
WALDORF-ASTORIA HOTEL
NEW YORK, NEW YORK
TUESDAY, NOVEMBER 12, 1991
7:30 P.M.

[INTRODUCTORY ACKNOWLEDGMENTS]

As you know, I have just returned from a trip to Rome and the Hague. There, I worked and other Western leaders worked to build a post Cold-War world characterized by mutual security, democracy, individual liberty, free enterprise, and unfettered international trade. I want to talk about those same topics tonight, but with the accent on Asia. Although much of this nation's heritage comes from Europe, our future points equally toward Asia.

Asia, once a mystical destination for explorers and poets, has transformed itself in the space of a generation into the most rapidly growing and reforming region on the face of the earth. Asia-Pacific nations enjoyed staggering real economic growth in the decade of the Eighties: The Australian economy grew 41 percent; Japan's grew nearly 52 percent; Malaysia almost 60 percent; Hong Kong, 89 percent; Singapore, 93 percent; Taiwan, 116 percent and South Korea, 150 percent.

The Asia-Pacific region has become our largest and fastest growing trade partner. We conduct more than 300 billion dollars worth of two-way trade annually. Together, we generate nearly half the world's GNP. American firms have invested more than 61 billion dollars in the region, and that figure will grow. Asians have invested more than 95 billion dollars in the United States. In everything from automobiles to microchips, from baseball to Australian rules football, our ties of mutual interest grow and flourish.

A few years ago, it was a cliché to refer to the 20th Century as the American Century and the 21st as the Pacific Century. I don't have a crystal ball, but I'm willing to bet that the 21st Century will take a somewhat different form. I predict that America will remain the world's greatest economic, political, military and moral power, but that the nations of the Asia Pacific region will stand at our side, as equal partners and bold proponents of democracy and freedom.

Of course, one cannot describe the Asia-Pacific region as a simple, homogeneous unit. This vast and varied portion of the globe, which runs from Mongolia to Australia, from Japan to Iran, embraces incredibly diverse cultures, and its political systems run the gamut from modern democracy to Stalinist gerontocracy.

We'd be here forever if I tried to tick off our interests and activities, country-by-country, so I won't subject you to that exercise. Instead, I will talk about the three central

issues in our relationships with the nations of the region: security, democracy, and trade.

In the area of security, Asia's variety has spawned a diverse set of political and strategic alliances. Our custom-made agreements tie the region together, and provide a strong foundation for future security.

Let me give you a few examples. The ASEAN Nations, Japan, Australia and the U.N. Security Council's permanent members worked together to forge a Cambodian peace process that promises free elections in a nation the previously settled leadership disputes through tyranny and genocide.

The government of South Korea has moved quietly to build better ties with its neighbor to the North, while also contributing to efforts to make North Korea adhere to vital Nuclear Nonproliferation Treaty provisions. Ultimately, both Koreas must agree to prohibit the existence of weapons-grade nuclear material in either nation. And we welcome bilateral efforts among the Japanese, Soviets, Chinese and Koreans to reach an acceptable accommodation. Until that time, however, we will retain a significant military presence in the South.

We have worked closely with Japan in the area of foreign aid: we are the world's two foremost providers of such aid. We also cooperated on matters of development assistance, environmental protection, trade, arms control, refugees and regional peace. I reiterate tonight my support for Japan's quest to regain control of the Northern Territories.

The Japanese have joined us in trying to lead the Soviet Union and Eastern Europe toward free enterprise. They have supported more than 50,000 U.S. military forces in Japan with 3 billion dollars in host nation contributions each year. Japan contributed nearly 13 billion dollars to the multinational forces during the Gulf War, 10 billion dollars of which went to the United States.

Australia long has been a close and trustworthy ally, in conflicts ranging from the world wars to the gulf. It also has contributed to regional peace and stability.

And bilateral military relations with Japan, Australia, South Korea, the Philippines and Thailand will remain a key in ensuring future peace in the region.

Generally speaking, peace has broken out all over Asia and the Pacific. Sino-Soviet and Sino-Vietnamese tensions have waned. The Soviets have established relations with South Korea, and both Koreas have joined the United Nations. Democracy has begun to take its first uncertain steps in Mongolia, and Cambodia sees the prospect of peace.

While we must adjust our force structure in the region to reflect post Cold War realities, we must not ignore the fact that important tensions remain: in Korea; in Burma, where socialist despotism holds sway; in China and other communist regimes that resist the worldwide movement toward democracy, and in some cases lend comfort, support and even arms to our enemies.

We should have learned in the Gulf that we cannot always anticipate potential sources of future trouble. We shall try to retain the flexibility and credibility necessary to defend our vital interests. At the same time, we will not overstay our welcome.

Fortunately, the key to future stability in the region lies not with arms, but with ballots. Democracy has swept portions of Asia, much as it has liberated other previously enslaved parts of our world. I have mentioned some of the exceptions: Burma, China, North Korea, Vietnam. Others have accepted the challenge of democracy, some nations taking tentative first steps; others, standing on the verge of full-fledged pluralism. These include Cambodia, Laos, Malaysia, Micronesia, the Philippines, Singapore, South Korea, and Taiwan.

The United States will support democracy wherever it can, understanding that nations must adopt political freedom in their own ways, in manners consistent with their histories and cultures. After decades of uncertainty, we have entered an era of justified optimism. The future seems full of hope, and even the intransigent few seem likely to join the rest of the world in building a commonwealth of freedom.

This brings us to the third focal point, and a crucial ingredient in stable, free society: economic prosperity.

As I noted at the outset, the Asia-Pacific region has become an exciting source of innovation and growth. No nation can ignore the incredible vitality of this region -- or afford to.

The United States will remain engaged with the Asia Pacific because we must -- and because we want to.

Yes, we disagree on important trade issues, but the key players in the region have committed themselves to the cause of free and fair trade.

Contrary to the opinions of some in this country, free trade requires efforts by all parties involved. The General Agreement on Tariffs and Trade remains the single most important vehicle for advancing the cause of free trade and fending off the scourge of protectionism, which is nothing more than economic isolationism. Japan continues to play a leadership role, as does Australia, the leader of the Cairns group.

Too often, trade disputes bring out the worst in people. Japan-bashing has become a minor sport in the United States, especially among those who seem more interested in finding scapegoats than in thinking about constructive economic reform. Some in Japan have become equally scornful of the United States, much to the chagrin of their fellow citizens.

The fact is that Japan, which half a century ago became a focal point of American hatred, has become one of our closest and most treasured allies. We continue working with our Japanese allies to open agricultural, financial and manufacturing markets, and in creating opportunities for businesses of both nations. I especially look forward to spending time with my old friend, Prime Minister Miyazawa -- significantly, a man steeped in

Western and Eastern culture, and superbly equipped to build bridges of culture and trade between our two great Nations.

Our Structural Impediments Initiative talks have led to a series of internal adjustments that help move us toward an era of free trade. The Asia Pacific Economic Council also encourages growth and trade.

The United States can no more afford to close its doors to the Asia Pacific Region than Asian nations can afford to close their doors to us. Our regions have become the most powerful engines for economic growth on earth. Together, we can build an even more prosperous and spectacular future -- but only if we set aside petty pride and take up the tough, rewarding task of promoting worldwide economic liberty.

We in the United States also must take a hard look at ourselves and pursue measures to improve our own economy. We place a higher tax on capital gains than any other industrialized economy. We subject our own entrepreneurs to incredible pressure. Our allies want us to unchain American dreamers -- and so do I.

We run an enormous and growing budget deficit, which seems to serve no greater purpose than to inflame political divisions within our own country. We must take purposeful action to reduce that deficit, while also cultivating the seeds of economic growth.

We must modernize our banking industry; strengthen the competitiveness of our industrial base. We must work with our allies to build a stable and sound monetary regime.

And perhaps most important of all, we have an obligation to ourselves and our children to create schools that will prepare future generations for life in the 21st Century. The integrated global economy will demand more of us than it ever has before, and we must create schools that meet that challenge.

We have seen in recent years that technological change can do much more than make our lives more comfortable. It can sweep away the debris of totalitarianism, and forge the foundation for lasting liberty. We live in an age of liberation technology, and no technology does more for the cause of freedom than the means of mass communications. We may carp about what we see on the evening news, but information media have done more to destroy despotism than weapons ever could. No nation can import high-tech conveniences but shut off information and ideas. No wall is high enough and no government sufficiently despotic to shut off what some call a revolution of electrons.

As we compete with our allies in this area, we must remember that information feeds intellect, and the better our children's educational preparation, the freer this world will become.

Let me close today by summarizing our general approach to relations with Asia. Our administration sees six keys to promoting lasting peace in the Asia-Pacific region:

Progressive trade liberalization;

Security cooperation;

A shared commitment to democracy and human rights;

Educational and scientific innovation;

Respect for the environment;

And an appreciation of our distinct cultural heritages.

Americans have always looked to the horizons for their destiny, even from our earliest days. We have grown great because we have welcomed people from every continent and country, and we have tried to make use of their distinct talents, while forging a common culture and mission.

As children, many of us traced our fingers along a globe, to distant lands our ancestors called home. We felt special then, feeling part of two worlds -- one, of an old and important culture; the other, the American life of freedom and opportunity.

Today, we enjoy unprecedented growth of Asian minorities within America, and immigrants from every island and land in Asia have enriched all our lives. Our administration is proud to have more Asian-Americans than any previous administration, and two women of Asian descent serve in top administration positions: Elaine Chou, as director of the Peace Corps, and Pat Saiki, the administrator of the Small Business Administration.

America's genius lies in its openness, its tolerance, and its diversity. Today, we celebrate that diversity, and celebrate the prospect that in years to come, we will develop with our Asian friends even greater ties of trade and culture. We will teach them, and they shall teach us. And together, we will fight

to build a world united in its determination to help men and women make the most of themselves.

I look forward to traveling soon to Asia, to advance these important principles, and to create work opportunities for tens of thousands of American workers and businesses. The notion that we can separate domestic and foreign policy rests upon the stubborn fantasy that we can live as an isolated island surrounded by a changing and developing world. In that way lies national suicide and international chaos.

We tried isolationism once, and it enabled two world wars to erupt.

We tried economic isolationism -- protectionism -- and we helped set off a worldwide depression. If we try to shrink into an isolationist cocoon, we will invite poverty and war. As President, I will continue building ties with our allies, because those ties ultimately mean peace at home and jobs for American men and women.

When we engage in trade and culture, we embrace the excitement of the age. We learn more about ourselves and our planet, and we make more of both.

I want to thank the Asia Society for its vital contributions to the cause of peace, prosperity and understanding. Every American interested in building a more secure, prosperous nation applauds you. I certainly do -- and I look forward to your help as I seek to build closer bonds of affection and interest with the peoples of the vast, marvelous, varied Asia-Pacific region.

Thank you. May God bless our Asian-Pacific friends and the
United States of America.

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Response To Asia Society

(Doc. Smith)

THERE IS STILL CONFUSION IN JAPAN AND OTHER ASIAN COUNTRIES AS TO WHY THE PRESIDENT POSTPONED HIS TRIP. THEY ARE NOT AS IN TUNE WITH OUR INTERNAL POLITICS. MANY THINK THAT THE PRESIDENT CAN GO TO MADRID, ROME AND THE HAGUE BUT NOT ASIA. OUR EXPLANATION MAY BE TOO TAILORED FOR DOMESTIC CONSUMPTION HERE. I THINK WE NEED A STRONGLY WORDED PARAGRAPH OR TWO EXPLAINING WHY IT WAS NECESSARY TO POSTPONE, AND ALSO RECOMMITTING THE PRESIDENT TO TAKING THE TRIP AS SOON AS THE SCHEDULE PERMITS. I'D ALSO REFERENCE THAT SECRETARY BAKER WILL BE THERE SOON TO HELP DELIVER THIS SAME MESSAGE.

SENT BY:Xerox Telecopier 7020 :11- 8-81 :12:37PM ;

OPD-3953640

:# 8

*Very many Round of
Multilateral trade negotiations
Under the*

The United States will remain engaged with the Asia Pacific because we must -- and because we want to.

Yes, we disagree on important trade issues, but the key players in the region have committed themselves to the cause of free and fair trade.

Contrary to the opinions of some in this country, free trade requires efforts by all parties involved. The General Agreement on Tariffs and Trade remains the single most important vehicle for advancing the cause of free trade and fending off the scourge of protectionism, which is nothing more than economic isolationism. Japan continues to play an ^{important} leadership role, as does Australia, the leader of the Cairns group.

Too often, trade disputes bring out the worst in people. Japan-bashing has become a minor sport in the United States, especially among those who seem more interested in finding scapegoats than in thinking about constructive economic reform. Some in Japan have become equally scornful of the United States ^(a) ~~much to the chagrin of their fellow citizens.~~

The fact is that Japan, which half a century ago became a focal point of American hatred, has become one of our closest and most treasured allies. We continue working with our Japanese allies to open agricultural, financial and manufacturing markets, and in creating opportunities for businesses of both nations. I especially look forward to spending time with my old friend, Prime Minister Miyazawa -- significantly, a man steeped in

SENT BY:Xerox Telecopier 7020 :11- 8-91 :12:37PM :

OPD-3953640

:# 8

SII is our broadest trade initiative with Japan; it must remain capable of addressing the needs of our dynamic economic relationship.

Western and Eastern culture, and superbly equipped to build bridges of culture and trade between our two great Nations.

Our Structural Impediments Initiative talks have led to a series of internal adjustments that help move us toward an era of free trade. The Asia Pacific Economic Council also encourages growth and trade. *Cooperation process*

The United States can no more afford to close its doors to the Asia Pacific Region than Asian nations can afford to close their doors to us. Our regions have become the most powerful engines for economic growth on earth. Together, we can build an even more prosperous and spectacular future -- but only if we set aside petty pride and take up the tough, rewarding task of promoting worldwide economic liberty.

We in the United States also must take a hard look at ourselves and pursue measures to improve our own economy. We place a higher tax on capital gains than any other industrialized economy. We subject our own entrepreneurs to incredible pressure. Our allies want us to unchain American dreamers -- and so do I.

We run an enormous and growing budget deficit, which seems to serve no greater purpose than to inflame political divisions within our own country. We must take purposeful action to reduce that deficit, while also cultivating the seeds of economic growth.



WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/8/91 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, 11/8/91 3:00pm

PRESIDENTIAL REMARKS: THE ASIA SOCIETY
NEW YORK - TUESDAY, NOV. 12 - 7:30 p.m.

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>MCBRIDE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 3:00 p.m., TODAY, FRIDAY, NOV. 8, with a copy to this office. Thank you.

RESPONSE:

Comments are attached

*TY,
G*

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

31 NOV 8 AIO: 53

Snow/Nix
Asia
Draft One
November 7, 1991

PRESIDENTIAL ADDRESS: THE ASIA SOCIETY
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We in the United States also must take a hard look at ourselves and pursue measures to improve our own economy. We ~~place a higher tax on capital gains than any other industrialized~~ ^{Note: Not accurate (Treasury)} ~~economy.~~ We subject our own entrepreneurs to incredible pressure. ^{-- Our tax on capital gains is among the highest in the industrialized world.} Our allies want us to unchain American dreamers -- and so do I.

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Thank you. May God bless our Asian-Pacific friends and the
United States of America.

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WHITE HOUSE STAFFING MEMORANDUM

11 NOV 8 ' 11:38

DATE: 11/8/91 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, 11/8/91 3:00pm

PRESIDENTIAL REMARKS: THE ASIA SOCIETY
NEW YORK - TUESDAY, NOV. 12 - 7:30 p.m.

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 3:00 p.m., TODAY, FRIDAY, NOV. 8, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

31 NOV 8 AIO: 53

Snow/Nix
Asia
Draft One
November 7, 1991

PRESIDENTIAL ADDRESS: THE ASIA SOCIETY
WALDORF-ASTORIA HOTEL
NEW YORK, NEW YORK
TUESDAY, NOVEMBER 12, 1991
7:30 P.M.

[INTRODUCTORY ACKNOWLEDGMENTS]

As you know, I have just returned from a trip to Rome and the Hague. There, I worked and other Western leaders worked to build a post Cold-War world characterized by mutual security, democracy, individual liberty, free enterprise, and unfettered international trade. I want to talk about those same topics tonight, but with the accent on Asia. Although much of this nation's heritage comes from Europe, our future points equally toward Asia.

Asia, once a mystical destination for explorers and poets, has transformed itself in the space of a generation into the most rapidly growing and reforming region on the face of the earth. Asia-Pacific nations enjoyed staggering real economic growth in the decade of the Eighties: The Australian economy grew 41 percent; Japan's grew nearly 52 percent; Malaysia almost 60 percent; Hong Kong, 89 percent; Singapore, 93 percent; Taiwan, 116 percent and South Korea, 150 percent.

The Asia-Pacific region has become our largest and fastest growing trade partner. We conduct more than 300 billion dollars worth of two-way trade annually. Together, we generate nearly half the world's GNP. American firms have invested more than 61 billion dollars in the region, and that figure will grow. Asians have invested more than 95 billion dollars in the United States. In everything from automobiles to microchips, from baseball to Australian rules football, our ties of mutual interest grow and flourish.

A few years ago, it was a cliché to refer to the 20th Century as the American Century and the 21st as the Pacific Century. I don't have a crystal ball, but I'm willing to bet that the 21st Century will take a somewhat different form. I predict that America will remain the world's greatest economic, political, military and moral power, but that the nations of the Asia Pacific region will stand at our side, as equal partners and bold proponents of democracy and freedom.

Of course, one cannot describe the Asia-Pacific region as a simple, homogeneous unit. This vast and varied portion of the globe, which runs from Mongolia to Australia, from Japan to Iran, embraces incredibly diverse cultures, and its political systems run the gamut from modern democracy to Stalinist gerontocracy.

We'd be here forever if I tried to tick off our interests and activities, country-by-country, so I won't subject you to that exercise. Instead, I will talk about the three central

issues in our relationships with the nations of the region: security, democracy, and trade.

In the area of security, Asia's variety has spawned a diverse set of political and strategic alliances. Our custom-made agreements tie the region together, and provide a strong foundation for future security.

Let me give you a few examples. The ASEAN Nations, Japan, Australia and the U.N. Security Council's permanent members worked together to forge a Cambodian peace process that promises free elections in a nation the previously settled leadership disputes through tyranny and genocide.

The government of South Korea has moved quietly to build better ties with its neighbor to the North, while also contributing to efforts to make North Korea adhere to vital Nuclear Nonproliferation Treaty provisions. Ultimately, both Koreas must agree to prohibit the existence of weapons-grade nuclear material in either nation. And we welcome bilateral efforts among the Japanese, Soviets, Chinese and Koreans to reach an acceptable accommodation. Until that time, however, we will retain a significant military presence in the South.

We have worked closely with Japan in the area of foreign aid: we are the world's two foremost providers of such aid. We also cooperated on matters of development assistance, environmental protection, trade, arms control, refugees and regional peace. I reiterate tonight my support for Japan's quest to regain control of the Northern Territories.

The Japanese have joined us in trying to lead the Soviet Union and Eastern Europe toward free enterprise. They have supported more than 50,000 U.S. military forces in Japan with 3 billion dollars in host nation contributions each year. Japan contributed nearly 13 billion dollars to the multinational forces during the Gulf War, 10 billion dollars of which went to the United States.

Australia long has been a close and trustworthy ally, in conflicts ranging from the world wars to the gulf. It also has contributed to regional peace and stability.

And bilateral military relations with Japan, Australia, South Korea, the Philippines and Thailand will remain a key in ensuring future peace in the region.

Generally speaking, peace has broken out all over Asia and the Pacific. Sino-Soviet and Sino-Vietnamese tensions have waned. The Soviets have established relations with South Korea, and both Koreas have joined the United Nations. Democracy has begun to take its first uncertain steps in Mongolia, and Cambodia sees the prospect of peace.

While we must adjust our force structure in the region to reflect post Cold War realities, we must not ignore the fact that important tensions remain: in Korea; in Burma, where socialist despotism holds sway; in China and other communist regimes that resist the worldwide movement toward democracy, and in some cases lend comfort, support and even arms to our enemies.

We should have learned in the Gulf that we cannot always anticipate potential sources of future trouble. We shall try to retain the flexibility and credibility necessary to defend our vital interests. At the same time, we will not overstay our welcome.

Fortunately, the key to future stability in the region lies not with arms, but with ballots. Democracy has swept portions of Asia, much as it has liberated other previously enslaved parts of our world. I have mentioned some of the exceptions: Burma, China, North Korea, Vietnam. Others have accepted the challenge of democracy, some nations taking tentative first steps; others, standing on the verge of full-fledged pluralism. These include Cambodia, Laos, Malaysia, Micronesia, the Philippines, Singapore, South Korea, and Taiwan.

The United States will support democracy wherever it can, understanding that nations must adopt political freedom in their own ways, in manners consistent with their histories and cultures. After decades of uncertainty, we have entered an era of justified optimism. The future seems full of hope, and even the intransigent few seem likely to join the rest of the world in building a commonwealth of freedom.

This brings us to the third focal point, and a crucial ingredient in stable, free society: economic prosperity.

As I noted at the outset, the Asia-Pacific region has become an exciting source of innovation and growth. No nation can ignore the incredible vitality of this region -- or afford to.

The United States will remain engaged with the Asia Pacific because we must -- and because we want to.

Yes, we disagree on important trade issues, but the key players in the region have committed themselves to the cause of free and fair trade.

Contrary to the opinions of some in this country, free trade requires efforts by all parties involved. The General Agreement on Tariffs and Trade remains the single most important vehicle for advancing the cause of free trade and fending off the scourge of protectionism, which is nothing more than economic isolationism. Japan continues to play a leadership role, as does Australia, the leader of the Cairns group.

Too often, trade disputes bring out the worst in people. Japan-bashing has become a minor sport in the United States, especially among those who seem more interested in finding scapegoats than in thinking about constructive economic reform. Some in Japan have become equally scornful of the United States, much to the chagrin of their fellow citizens.

The fact is that Japan, which half a century ago became a focal point of American hatred, has become one of our closest and most treasured allies. We continue working with our Japanese allies to open agricultural, financial and manufacturing markets, and in creating opportunities for businesses of both nations. I especially look forward to spending time with my old friend, Prime Minister Miyazawa -- significantly, a man steeped in

Western and Eastern culture, and superbly equipped to build bridges of culture and trade between our two great Nations.

Our Structural Impediments Initiative talks have led to a series of internal adjustments that help move us toward an era of free trade. The Asia Pacific Economic Council also encourages growth and trade.

The United States can no more afford to close its doors to the Asia Pacific Region than Asian nations can afford to close their doors to us. Our regions have become the most powerful engines for economic growth on earth. Together, we can build an even more prosperous and spectacular future -- but only if we set aside petty pride and take up the tough, rewarding task of promoting worldwide economic liberty.

We in the United States also must take a hard look at ourselves and pursue measures to improve our own economy. We place a higher tax on capital gains than any other industrialized economy. We subject our own entrepreneurs to incredible pressure. Our allies want us to unchain American dreamers -- and so do I.

We run an enormous and growing budget deficit, which seems to serve no greater purpose than to inflame political divisions within our own country. We must take purposeful action to reduce that deficit, while also cultivating the seeds of economic growth.

We must modernize our banking industry; strengthen the competitiveness of our industrial base. We must work with our allies to build a stable and sound monetary regime.

And perhaps most important of all, we have an obligation to ourselves and our children to create schools that will prepare future generations for life in the 21st Century. The integrated global economy will demand more of us than it ever has before, and we must create schools that meet that challenge.

We have seen in recent years that technological change can do much more than make our lives more comfortable. It can sweep away the debris of totalitarianism, and forge the foundation for lasting liberty. We live in an age of liberation technology, and no technology does more for the cause of freedom than the means of mass communications. We may carp about what we see on the evening news, but information media have done more to destroy despotism than weapons ever could. No nation can import high-tech conveniences but shut off information and ideas. No wall is high enough and no government sufficiently despotic to shut off what some call a revolution of electrons.

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Americans have always looked to the horizons for their destiny, even from our earliest days. We have grown great because we have welcomed people from every continent and country, and we have tried to make use of their distinct talents, while forging a common culture and mission.

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Snow/Nix
Asia
Draft One
November 7, 1991

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NEW YORK, NEW YORK
TUESDAY, NOVEMBER 12, 1991
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Thank you. May God bless our Asian-Pacific friends and the United States of America.

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depart from the fundamentals to achieve short-term political gain. It starts right here, now, with all of you. And please stay involved in the political process. Because I am absolutely convinced that with your support we will succeed and make things better for the American people.

Thank you and may God bless the United States of America.

Note: The President spoke at 2:07 p.m. in the Grand Ballroom of The New York Hilton and Towers. In his remarks, the President referred to Louis Gerstner, principal chairman of the luncheon; Georgette Mosbacher, Wayne Calloway and Joy Silverman, co-chairmen; William Powers, chairman of the New York State Republican Party; Rabbi Milton Balkany, Dean of the Bais Yaa'kev of Brooklyn, NY; and Donald T. DiFrancesco, President of the New Jersey State Senate; Garabed "Chuck" Haytaian, Speaker of the New Jersey Assembly.

Remarks to The Asia Society in New York City

November 12, 1991

Thank you all very much. And John Whitehead, thank you, sir. John has served this country with great distinction over the years, and it's great to join him and Nancy here this evening, the other distinguished leaders here with me, and all of you—so many ambassadors from countries in Asia, chargés, United Nations contingents, Washington, DC contingents. And I'm just delighted to be here with all of you.

It's also a pleasure to see Asia Society President Robert Oxnam, and then vice chairman Peter Aaron. To you, and to the distinguished men and women in this audience, greetings, and my thank for this opportunity to speak with you on topics of great concern to us all. And I heard you were having broccoli so I asked to speak before the dinner. [Laughter] I hope this doesn't really foul things up, but I feel strongly about that. [Laughter] No, but seriously, we do have to go back. And I'm very pleased for this accommodation, and I hope you'll all understand.

But as you know, I have just returned from Rome, that NATO meeting, and The Hague for an EC meeting. There, I worked with other Western leaders to help build a post-cold-war world that's characterized by mutual security, democracy, individual liberty, free enterprise, and unfettered international trade. I want to talk tonight about those topics, but with the accent on Asia.

But first, for audiences here and in Asia, I think it's important to discuss once again why I will not travel to the region this month, later this month. As President, I must serve the entire nation in the domestic and foreign arenas. Sometimes those obligations clash. When we planned our trip a couple of months ago, worked out the schedule, Congress had planned to adjourn early in this month. I believe it was November 2d, possibly November 4th. Now the Members say that they will wrap-up by November 22, but who knows? We will reschedule the trip, but I will not leave while Congress is wrapping-up a session. It can commit too much mischief in times like that. [Laughter]

I saw "Home Alone," that movie—[laughter]—and I just don't feel comfortable—[laughter]—leaving Congress home alone. But make no mistake, however, I will not turn my back on my responsibility to do the Nation's business here and abroad. And in times of economic pain, I certainly will not give up an opportunity to work with our allies to create new markets, new jobs, and new opportunities for American workers in agriculture, in manufacturing, and in service industries.

And I certainly will not permit us to retreat into a kind of Fortress America, which will doom us to irrelevance and poverty. The notion that we can separate domestic and foreign policy rests upon a stubborn fantasy that we can live as an isolated island surrounded by a changing and developing world. We tried isolationism, and we ended up fighting two bloody World Wars.

We tried economic isolationism, protectionism, and we helped set off a worldwide depression. I remain deeply committed to building closer ties with the Asia-Pacific region. Although much of our Nation's heritage comes from Europe, our future points equally, importantly, toward Asia.

Asia's transformed itself in the space of a generation into the most rapidly growing region on the face of the Earth. Asia-Pacific nations enjoyed staggering real economic growth in the decade of the eighties: The Australian economy grew 41 percent; Japan's nearly 52 percent; Malaysia almost 60 percent; Hong Kong—there are many here from Hong Kong tonight—89 percent; Singapore 93 percent; Taiwan 116 percent, and South Korea 150 percent.

The Asia-Pacific region has become our largest and fastest growing trading partner. We conduct more than \$300 billion worth of two-way trade annually. Together, we generate nearly half, listen to this one, together we generate nearly half of the world's gross national product. American firms have invested more than \$61 billion in the region, and that figure will grow. Asians have invested more than \$95 billion in the United States. In everything from automobiles to microchips, from baseball to Australian rules football, we grow closer each day.

A few years ago, it was fashionable to refer to the 20th century as the American century and the 21st as the Pacific century, as if we were engaged in some long-term competition with our Asian allies. I don't see it that way. The United States will remain large and powerful, but in years to come, we will deepen our partnership with our Asian friends in building democracy and freedom.

We'd be here forever if I tried to tick off our interests and activities, country by country. So, forgive me but instead, I will address three central issues in our relationships with the nations of the region: security, democracy, and trade.

In the area of security, Asia's variety has spawned a diverse pattern of political and strategic cooperation. Our custom-made agreements and relationships provide a strong foundation for future security.

Let me give you a few examples of how we seek to build the peace. The conflict in Indochina has preoccupied this Nation for years. Finally, we've entered into a period of healing and constructive cooperation. We will work step-by-step to resolve the painful issues left by that war. The ASEAN nations, Japan, Australia, and the U.N. Security Council's permanent members recently

forged a Cambodian peace process that promises free elections in a nation previously rent by tyranny and genocide. Just yesterday, for the first time in 16 years, we sent an accredited diplomat to Cambodia to participate in the peacemaking arrangements.

We envision normal relations with Vietnam as the logical conclusion to a step-by-step process that begins by resolving the problems in Cambodia, and by addressing thoroughly, openly, and conclusively the status of American POW's-MIA's.

Today, I am announcing that we will upgrade our relations with Laos, and that we soon will place an ambassador in Vientiane.

The Republic of Korea has moved to build better ties with North Korea while boldly challenging the North to abandon its menacing nuclear weapons program, which is the greatest threat to regional peace.

We welcome recently organized efforts involving us, the Japanese, the Soviets, Chinese, and Koreans to bring North Korea's nuclear program under international supervision. Meanwhile, we will maintain our military presence in the South as long as the people want and need us.

In laying the foundation for peace through our global partnership, we have worked closely with Japan in the area of foreign aid. We are the world's two foremost providers of such aid. We also cooperate on development assistance, more and more on environmental protection, trade, arms control, refugees, and regional peace. We've urged the Soviet Union to take a progressive attitude toward the Northern Territories in its discussions with Japan.

The Japanese have joined us in trying to lead the Soviet Union and Eastern Europe toward free enterprise. They support more than 45,000 U.S. military forces in Japan with \$3 billion in annual host nation contributions. Japan contributed nearly \$13 billion to the multinational forces for the Gulf war, 10 billion of which went to the United States. This required new taxes, a very tough thing for any politician to ask of working people, but Japan deserves praise for choosing the right course.

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We can help ensure future peace in the
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range of military arrangements. Bilateral al-
liances, access agreements, and structures
such as the five-power defense arrangement
give us the flexibility we need.

While we must adjust our force structure
to reflect post cold war realities, we also
must protect our interests and allies. In this
light, we cannot afford to ignore the impor-
tant sources of instability: in North Korea;
in Burma, where socialist despotism holds
sway, despite, I might say, I might add, de-
spite the heroic efforts of freedom fighters
like Nobel Laureate Aung San Suu Kyi; in
China and other states that resist the world-
wide movement toward political pluralism,
and that contribute to the proliferation of
dangerous weapons.

Let me mention just a few words regard-
ing China. China is vitally important. It is
our policy to remain engaged. We believe
this is the way to effect positive change in
the world's most populous nation. That's ex-
actly what Secretary of State Jim Baker is
doing there this week.

Fortunately, the key to future stability in
the region lies not with arms, but with bal-
lots. Democracy has swept across Asia with
some notable exceptions, such as Burma,
China, North Korea, and Vietnam. Yet we
remain engaged in the region, and especial-
ly in China. If we retreat from the chal-
lenge of building democracy, we will have
failed many who have worked hard, even
died, for the cause.

The United States will support democracy
wherever it can, understanding that nations
adopt political freedom in their own ways,
in manners consistent with their histories
and cultures. After decades of uncertainty,
the future really does seem full of hope,
and even the intransigent few seem likely
to join the rest of the world in building a
commonwealth of freedom.

Then this brings us then to the third focal
point, and a crucial ingredient in a stable,
free society, and I'm talking, of course,
about economic prosperity. No nation can
ignore the incredible vitality of this region,
or afford to. Yes, we disagree on some im-

portant trade issues, but we also recognize a
more important fact: Our fates and values
have become linked forever.

Contrary to the opinions of American
protectionists, free trade requires efforts by
all parties involved. Too often, trade dis-
putes bring out the worst in people. Japan
bashing—you've heard that expression—
Japan bashing has become a minor sport in
some places in the United States, and some
in Japan have become equally scornful of
the United States. Both our nations must
reject those who would rather seek out
scapegoats than tackle their own problems.

We made a good start. The Asia-Pacific
Economic Cooperation Group encourages
growth and trade. The Uruguay round of
GATT talks remains the single most impor-
tant vehicle for advancing the cause of free
trade and fending off the scourge of protec-
tionism. We call upon Japan and Korea to
work with us in breaking down old barriers
to trade, opening up markets in manufac-
turing, services, and agriculture. Our Struc-
tural Impediments Initiative, those talks
have helped lower barriers to trade and in-
vestment. But we need to give those talks
new life, give them a kick, and create a
better climate in Japan for U.S. businesses.

The fact is that Japan, which nearly half a
century ago became a focal point of Ameri-
can hatred, has become one of our closest
and most treasured allies. I enjoyed a warm
and constructive relationship working with
Prime Minister Toshiki Kaifu. And I look
forward to spending time with my old
friend, Prime Minister Kiichi Miyazawa, sig-
nificantly, a man steeped in Western and
Eastern culture and superbly equipped to
build bridges of culture and trade between
our two great nations.

Together, we can build an even more
prosperous and spectacular future—but
only if we take up the tough, rewarding
task of promoting worldwide economic lib-
erty. We seek a vibrant international eco-
nomic system that unites markets on every
continent.

We in the United States also must
strengthen our economy. We level an unac-
ceptably high effective tax rate on capital
gains. Germany, no capital gains tax. The
complicated Japanese tax averages about 1
percent. This puts our own business people,

our own entrepreneurs, and venture capitalists at a huge and shameful disadvantage compared to our Asian trading partner.

We run an enormous and growing budget deficit, which inflames political divisions within our own country. We must take powerful action to reduce that deficit while nourishing economic growth. To compete internationally we must modernize our banking industry and make our industrial base more competitive. We must work with our allies to build a stable and sound monetary regime.

Perhaps most important, we must build human capital. We have an obligation to prepare future generations for life in the 21st century. The integrated global economy will demand more of us than ever before, and our schools must meet the challenge.

Technological change can do much more than make our lives more comfortable. It can sweep away totalitarianism and forge the foundation for lasting liberty. We live in an age of liberation technology, and no technology does more for the cause of freedom than the means of mass communication. No wall is high enough and no government sufficiently despotic to shut off what some call a revolution of electrons. As we compete with our allies in this area, we must remember that information feeds intellect, and good information fosters freedom.

Let me close by summarizing our general approach to relations with Asia. Our administration sees six keys to promoting lasting peace in the Asia-Pacific region: progressive trade liberalization, security cooperation, a shared commitment to democracy and human rights, educational and scientific innovation, respect for the environment, and an appreciation of our distinct cultural heritages.

Americans have always looked to the horizons for their destiny, even from our earliest days. And we've grown great because we've welcomed people from every continent and every country, and we've tried to make use of their distinct talents when they come here, while constructing a common culture.

Today, we celebrate that diversity, and celebrate the prospect that in years to come, we will develop with our Asian

friends even greater ties of trade and culture.

I look forward to traveling soon to Asia, to advance these important principles, and to expand market opportunities for tens of thousands of American workers and businesses. As President, I will continue building ties with our allies because those ties mean peace at home and jobs for American men and women.

I want to thank the Asia Society for its vital contributions to the cause of peace, prosperity, and understanding. I look forward to your help as I seek to build closer bonds of affection and interest with the peoples of the vast, marvelous, varied Asia-Pacific region.

Thank you all. And may God bless our Asian-Pacific friends and the United States of America. Thank you very very much.

Note: The President spoke at 7:20 p.m. at the Waldorf Astoria Hotel. In his remarks, he referred to John Whitehead, chairman of The Asia Society, and his wife, Nancy. Following these remarks, the President returned to Washington.

Proclamation 6374—National Red Ribbon Month, 1991

November 13, 1991

By the President of the United States of America

A Proclamation

During the month of November, we Americans pause to count our many blessings—including the love of family and friends, the joy of freedom and security, and, of course, the gift of life itself. Thus, the holiday season that traditionally begins on Thanksgiving is a very special time of celebration and renewal.

Tragically, however, this time of peace and joy will become a time of mourning for far too many American families as a result of alcohol-related traffic accidents. Countless hopes and dreams will be destroyed this holiday season when drinking turns deadly behind the wheel.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 12, 1991

REMARKS BY THE PRESIDENT
TO THE ASIA SOCIETY

Waldorf Astoria Hotel
New York, New York

7:20 P.M. EST

THE PRESIDENT: Thank you all very much. And John Whitehead, thank you, sir. John has served this country with great distinction over the years, and it's great to join him and Nancy here this evening, the other distinguished leaders here with me, and all of you -- so many ambassadors from countries in Asia, charges, United Nations contingents, Washington D.C. contingents. And I'm just delighted to be here with all of you.

It's also a pleasure to see Asia Society President Robert Oxnam, and then Vice Chairman Peter Aaron. To you, and to the distinguished men and women in this audience, greetings -- and my thanks for this opportunity to speak with you on topics of great concern to us all. And I heard you were having broccoli so I asked to speak before the dinner. (Laughter.) I hope this doesn't really foul things up, but I feel strongly about that. (Laughter.) No, but seriously, we do have to go back, and I'm very pleased for this accommodation and I hope you'll all understand.

But as you know, I have just returned from Rome, that NATO meeting, and The Hague for an EC meeting. There, I worked with other Western leaders to help build a post-Cold-War world that's characterized by mutual security, democracy, individual liberty, free enterprise, and unfettered international trade. I want to talk tonight about those topics, with the accent on Asia.

But first, for audiences here and in Asia, I think it's important to discuss once again why I will not travel to the region this month, later this month. As President, I must serve the entire nation in the domestic and foreign arenas. Sometimes those obligations clash. When we planned our trip a couple of months ago, worked out the schedule, Congress had planned to adjourn early in this month. I believe it was November 2nd, possibly November 4th. Now the members say that they will wrap up by November 22, but who knows? We will reschedule the trip, but I will not leave while Congress is wrapping up a session. It can commit too much mischief in times like that. (Laughter.)

I saw Home Alone, that movie -- (laughter) -- and I just don't feel comfortable -- (laughter) -- leaving Congress home alone. But make no mistake, however, I will not turn my back on my responsibility to do the nation's business here and abroad. And in times of economic pain, I certainly will not give up an opportunity to work with our allies to create new markets, new jobs and new opportunities for American workers -- in agriculture, in manufacturing and in service industries.

And I certainly will not permit us to retreat into a kind of Fortress America, which will doom us to irrelevance and poverty. The notion that we can separate domestic and foreign policy rests upon a stubborn fantasy that we can live as an isolated island

MORE

surrounded by a changing and developing world. We tried isolationism, and we ended up fighting two bloody world wars.

We tried economic isolationism -- protectionism -- and we helped set off a worldwide depression. I remain deeply committed to building closer ties with the Asia-Pacific region. Although much of our nation's heritage comes from Europe, our future points equally, importantly, toward Asia.

Asia's transformed itself in the space of a generation into the most rapidly growing region on the face of the Earth. Asia-Pacific nations enjoyed staggering real economic growth in the decade of the '80s: The Australian economy grew 41 percent; Japan's nearly 52 percent; Malaysia almost 60 percent; Hong Kong -- there are many here from Hong Kong tonight -- 89 percent; Singapore, 93 percent; Taiwan, 116 percent and South Korea, 150 percent.

The Asia-Pacific region has become our largest and fastest growing trade partner. We conduct more than \$300 billion worth of two-way trade annually. Together, we generate nearly half -- listen to this one -- together we generate nearly half of the world's gross national product. American firms have invested more than \$61 billion in the region, and that figure will grow. Asians have invested more than \$95 billion in the United States. In everything from automobiles to microchips, from baseball to Australian rules football, we grow closer each day.

A few years ago, it was fashionable to refer to the 20th century as the American Century and the 21st as the Pacific Century, as if we were engaged in some long-term competition with our Asian allies. I don't see it that way. The United States will remain large and powerful, but in years to come, we will deepen our partnership with our Asian friends in building democracy and freedom.

We'd be here forever if I tried to tick off our interests and activities, country by country. So, forgive me, but instead, I will address three central issues in our relationships with the nations of the region: security, democracy, and trade.

In the area of security, Asia's variety has spawned a diverse pattern of political and strategic cooperation. Our custom-made agreements and relationships provide a strong foundation for future security.

Let me give you a few examples of how we seek to build the peace. The conflict in Indochina has preoccupied this nation for years. Finally, we've entered into a period of healing and constructive cooperation. We will work step by step to resolve the painful issues left by that war. The ASEAN nations, Japan, Australia and the U.N. Security Council's permanent members recently forged a Cambodian peace process that promises free elections in a nation previously rent by tyranny and genocide. Just yesterday, for the first time in 16 years, we sent an accredited diplomat to Cambodia, to participate in the peacemaking arrangements.

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To the south, Australia casts a presence far larger than its relatively small population would suggest. It takes justifiable pride in its long tradition of defending democracy, and its economic, political and cultural presence helps unite the Asia-Pacific region with the rest of the world.

We can help ensure future peace in the region and defend our interests through a range of military arrangements. Bilateral alliances, access agreements and structures such as the five-power defense arrangement give us the flexibility we need.

While we must adjust our force structure to reflect post-Cold-War realities, we also must protect our interests and allies. In this light, we cannot afford to ignore the important sources of instability: in North Korea; in Burma, where socialist despotism holds sway, despite, I might say -- I might add, despite the heroic efforts of freedom fighters like Nobel Laureate Aung San Suu Kyi; in China and other states that resist the worldwide movement toward political pluralism -- and that contribute to the proliferation of dangerous weapons.

Let me mention just a few words regarding China. China is vitally important. It is our policy to remain engaged. We believe this is the way to effect positive change in the world's most populous nation. That's exactly what Secretary of State Jim Baker is doing there this week.

Fortunately, the key to future stability in the region lies not with arms, but with ballots. Democracy has swept across Asia -- with some notable exceptions, such as Burma, China, North Korea, and Vietnam. Yet we remain engaged in the region, and especially in China. If we retreat from the challenge of building democracy, we will have failed many who have worked hard, even died, for the cause.

The United States will support democracy wherever it can, understanding that nations adopt political freedom in their own ways, in manners consistent with their histories and cultures. After decades of uncertainty, the future really does seem full of hope, and even the intransigent few seem likely to join the rest of the world in building a commonwealth of freedom.

Then this brings us then to the third focal point, and a crucial ingredient in a stable, free society: and I'm talking, of

course, about economic prosperity. No nation can ignore the incredible vitality of this region -- or afford to. Yes, we disagree on some important trade issues, but we also recognize a more important fact: Our fates and values have become linked forever.

Contrary to the opinions of American protectionists, free trade requires efforts by all parties involved. Too often, trade disputes bring out the worst in people. Japan bashing -- you've heard that expression -- Japan bashing has become a minor sport in some places in the United States, and some in Japan have become equally scornful of the United States. Both our nations must reject those who would rather seek out scapegoats than tackle their own problems.

We made a good start: The Asia-Pacific Economic Cooperation Group encourages growth and trade. The Uruguay Round of GATT talks remains the single most important vehicle for advancing the cause of free trade and fending off the scourge of protectionism. We call upon Japan and Korea to work with us in breaking down old barriers to trade, opening up markets in manufacturing, services and agriculture. Our Structural Impediments Initiative, those talks have helped lower barriers to trade and investment. But we need to give those talks new life -- give them them a kick -- and create a better climate in Japan for U.S. businesses.

The fact is that Japan, which nearly half a century ago became a focal point of American hatred, has become one of our closest and most treasured allies. I enjoyed a warm and constructive relationship working with Prime Minister Toshiki Kaifu. And I look forward to spending time with my old friend, Prime Minister Kiichi Miyazawa -- significantly, a man steeped in Western and Eastern culture and superbly equipped to build bridges of culture and trade between our two great nations.

Together, we can build an even more prosperous and spectacular future -- but only if we take up the tough, rewarding task of promoting worldwide economic liberty. We seek a vibrant international economic system that unites markets on every continent.

We in the United States also must strengthen our economy. We level an unacceptably high effective tax rate on capital gains. Germany -- no capital gains tax. The complicated Japanese tax averages about one percent. This puts our own business people, our own entrepreneurs and venture capitalists at a huge and shameful disadvantage compared to our Asian trading partner.

We run an enormous and growing budget deficit, which inflames political divisions within our own country. We must take powerful action to reduce that deficit while nourishing economic growth. To compete internationally we must modernize our banking industry and make our industrial base more competitive. We must work with our allies to build a stable and sound monetary regime.

Perhaps most important, we must build human capital. We have an obligation to prepare future generations for life in the 21st century. The integrated global economy will demand more of us than ever before, and our schools must meet the challenge.

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Today, we celebrate that diversity, and celebrate the prospect that in years to come, we will develop with our Asian friends even greater ties of trade and culture.

I look forward to traveling soon to Asia, to advance these important principles and to expand market opportunities for tens of thousands of American workers and businesses. As President, I will continue building ties with our allies because those ties mean peace at home and jobs for American men and women.

I want to thank the Asia Society for its vital contributions to the cause of peace, prosperity and understanding. I look forward to your help as I seek to build closer bonds of affection and interest with the peoples of the vast, marvelous, varied Asia-Pacific region.

Thank you all. And may God bless our Asian-Pacific friends and the United States of America. Thank you very very much. (Applause.)

END

7:43 P.M. EST