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Exchange With Reporters Prior to Discussions With Prime Minister Ryutaro Hashimoto of Japan in Denver, Colorado

June 19, 1997

Southern Baptist Boycott of Disney

Q. Mr. President, are you going to abide by the Southern Baptist vote on boycotting Disney?

President Clinton. No.

Deregulation and Trade

Q. Mr. President, the United States has been urging Japan for a number of years now to try to jump-start its domestic economy. Do you have any confidence that they're likely to be able to do so in a way that would actually improve their domestic economy——

President Clinton. Well, if the Prime Minister's deregulation initiative works, I think it could spark a lot of domestic economic activity and also increase demand in a way that would improve life for Japanese consumers and also help——

Q. Are you going to express displeasure about the trade imbalance figures that came out today?

President Clinton. Well, I wish they weren't so high. But we're going to discuss that. But keep in mind we also have made an agreement today to involve the United States in the process with Japan to evaluate its deregulation initiatives in several areas in terms of how it might affect our bilateral relations. So we're moving in the right direction, and I'm hopeful we can make some progress.

Q. Do you view it as——

Prime Minister Hashimoto. If I may say one word here. About our question, if you look at the situation in the foreign exchange market, the market has been calm, very calm. This is the answer from my side.

Q. Prime Minister Hashimoto, U.S. officials told us that you had reached an agreement with the United States under which the United States would have an advisory role on deregulating certain of Japan's industries. Do you view it as, in any sense, a violation of Japan's economic sovereignty to give the United States such a role? And why did you not insist on parity, that is to say the Japanese have got a role in U.S. deregulation?

Prime Minister Hashimoto. It's not an advisory role. We have no intention of being supervised. Deregulation is a task that we have to embark upon for ourselves. We're friends, so we already discuss matters with the United States in that kind of process. We made a promise back in Washington, and yesterday we were able to reach an understanding to establish a framework for such a problem. So please have more confidence in the two of us.

Q. Thank you.

[*At this point, one group of reporters left the room, and another group entered.*]

China's Status in Future Economic Summits

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

President Clinton. Well, the short answer to that question is that these summits have always been summits of market-oriented democracies. And so it would require a whole redefinition of what this process is for a country that doesn't have democratically elected leaders to be part of it. What I do believe is that the United States and Japan should be working together to help to integrate China into the world's economic institutions and to build stable partnerships for peace and prosperity.

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

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

Russia-Japan Territory Dispute

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

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

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

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

President Clinton. Yes, I hope to do that.

Q. Next week?

President Clinton. I don't know.

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

Thank you very much.

NOTE: The exchange began at 3:45 p.m. at the Hyatt Regency/Tech Center. In his remarks, the President referred to President Boris Yeltsin of Russia. Prime Minister Hashimoto spoke in Japanese, and his remarks were translated by an interpreter. A tape was not available for verification of the content of this exchange.

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

June 19, 1997

I. Basic Principles

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

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

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

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

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