

NOTE: This proclamation was released by the Office of the Press Secretary on May 15, and it will be published in the *Federal Register* on May 20.

Remarks Prior to Discussions With Prime Minister Ryutaro Hashimoto of Japan and an Exchange With Reporters in Birmingham, United Kingdom

May 15, 1998

President Clinton. Let me say just very briefly that I'm delighted to have another chance to meet with Prime Minister Hashimoto. The partnership we have had with Japan is obviously one of the most important relationships the United States has had and will have in the future.

I have invited the Prime Minister to come for an official visit in July, and I hope he will be able to come. We're working hard on a number of things. Our security relationship has been critical to both of us. Our people have been working together on a deregulation initiative, and they've made some significant progress. I hope we can discuss the situation in Indonesia, as well as the Indian nuclear tests. And I welcome the very strong statements and actions that the Prime Minister has taken in the wake of the nuclear tests.

And finally let me say, it is very much in the interest of regional Asian economic development and the United States, long term, for Japan to have a strong and growing economy. And I believe that the economic package the Prime Minister has announced is significant and will have a positive impact. And I know he looks forward to implementing it. We believe that some steps will still have to be taken on the banking reform front, and I know that the Prime Minister has given that a lot of thought, and I look forward to discussing that with him.

But on balance, the American people should feel good about our relationship with Japan and very good about the leadership Japan has been exercising in the world.

Would you like to say something? Shall I hold the microphone? [*Laughter*]

Prime Minister Hashimoto. I feel very much honored to be officially invited to the

United States by the President. I am extremely pleased to be able to accept it, provided that my wife will say yes. So I have to have this major task of having her say yes to this invitation.

The many issues that Bill just raised, those are the issues of common concern and interest to both of us, so I very much hope to have very vigorous conversation with Bill on these issues.

We have been extremely concerned about both the second nuclear experiment by India and also the developing situations in Indonesia. Our cooperation is most critical in tackling those two issues that have been arising in the past few days. At the same time, I'm very much looking forward to the explanations, in part, by Bill on the issues of Asian economies, as well as the Japanese economy, and I very much hope to explain our positions on those issues as well.

And for the Asian economies to recover, both the United States and Japan have to maintain our markets as wide open as possible so that the two markets can absorb as much import. As far as the import from Asia is concerned, dollarwise, the Americans import the most from Asian countries and Japan is the second. But if you compare it per capita, Japan is the largest importer of Asian goods and services in the world.

And also, on deregulation, I'm very pleased that there is very positive appreciation by the U.S. Government on deregulation efforts. But I must emphasize that this is a two-way dialog, and we have made many requests to the United States Government and very much look forward to the implementation of deregulation on the U.S. side.

As leaders participating in this summit, he is the big brother to me, so I will listen to many advices from my big brother so that we can work together on many important issues. Although, he doesn't look that old. [*Laughter*]

President Clinton. Mr. President, could I say just one other thing? I forgot to say one thing. We also reached an agreement on the principles we will adopt together in approaching electronic commerce, which is a huge issue for the future. And we published the agreement on the Internet so you can all pick it up.

Prime Minister Hashimoto. Yes, that is a good agreement.

Situation in Indonesia

Q. Mr. President, do you believe it's time for President Soeharto to step down now that the chaos has gotten out of hand in Indonesia?

President Clinton. Well, obviously I think—we're both very concerned about the situation in Indonesia. It's a very large country. It's a very important country. And the loss of life and the other destructive developments have been heartbreaking.

The question you ask is one the Indonesian people have to decide. What we do believe is important, is that the present government and the President find a way to open a dialog with all elements of the society, and that it leads to a general—a genuine sense of political reform and reconciliation, as well as continue to implement the economic reforms.

Nuclear Proliferation in South Asia

Q. Mr. President, do you believe it's inevitable that the Pakistanis will detonate a nuclear device? Is it inevitable, sir?

President Clinton. No. But they're under a lot of pressure to do so. I hope we can find a formula—perhaps those of us here at the G-8 can make a contribution to that—I hope we can have a formula within which they will find it possible, politically possible, not to go forward. It would be a—show a great act of statesmanship and restraint on their part. You can imagine, when you put yourself in Pakistan's position, you can imagine the overwhelming political pressure that must be building up on them at home. But I really believe that if we work hard, we might be able to find a way that the Pakistani people would also support, to avoid this. An arms race on the Indian subcontinent in nuclear weapons is not in the interest of sustaining the future of Pakistan.

Q. Are you going to offer them their money back from the F-16's, sir?

Q. What would you offer them?

President Clinton. Well, we've been working on a resolution of the F-16 matter literally for 5 years. I don't think many Americans who understand this issue feel very good about the position that was taken sev-

eral years ago, before I became President, that they had paid for these planes, and then because of the later findings, we couldn't deliver the planes, but they couldn't get their money back. So it's been a very frustrating thing for me. I think the Pakistanis have a genuine grievance, a legitimate grievance against the United States on this count. And I believe we found a way to work through that before this incident developed.

But obviously that might be one part of the resolution to this, but this is something that I think requires a lot more discussion. Perhaps we'll have more to say before the G-8 is over, but I hope that all of us together can find a way in which the Pakistani Government and the Prime Minister can avoid the tests, and the people can accept and embrace that approach.

Group of Eight Response to Nuclear Proliferation in South Asia

Q. Sir, you and Prime Minister Hashimoto obviously agree on sanctions, but what about this summit? What kind of a statement do you hope the entire summit will come up with since the other leaders apparently are not too agreeable to sanctions?

President Clinton. Well, from my point of view, I hope it will be as strong and unambiguous as possible. I will say again, I have followed very closely the events in India since the tests. I have watched on the news and listened very carefully to the statements by the representatives of the Indian Government, including the Prime Minister.

I believe that—you know, soon India will be the largest country in the world, in population. They have the biggest middle class in the world. They're going to have a very large say in the 21st century. And no less than other countries that are emerging—China, a new democratic Russia, which Prime Minister Hashimoto has done a lot of work on in the last several months—these countries will have to decide how they will define their greatness, and will they define it in 21st century terms, in terms of the achievements of their people and their ability to lead through example and cooperation, or will they define it in the starkest terms of the 20th century, including how many nuclear weapons they have?

I'm doing my best to reduce the nuclear threat. If the Russian Duma ratifies START II, which I hope they will in the near future, I'm anxious to get to work on START III to reduce our own nuclear levels lower. So I personally don't believe that's the best way to guarantee India's security or its greatness, to basically call up the darker elements of the 20th century.

We just have to keep working on this, and we have to be both firm and unambiguous on the one hand, and then on the other hand try to find a constructive way out of this for India, for Pakistan, and for all the countries involved. And I'll do my best.

Death of Frank Sinatra

Q. Mr. President, do you have anything to say about Mr. Sinatra's death?

President Clinton. I do. I'd like to say something about that. When I became President, I had never met Frank Sinatra, although I was an enormous admirer of his. I had the opportunity after I became President to get to know him a little, to have dinner with him, to appreciate on a personal level what hundreds of millions of people around the world, including me, appreciated from afar.

And I would like to offer my condolences to his wife and to his children. I saw Nancy not very long ago in California. I think every American would have to smile and say he really did do it his way.

Thank you very much.

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

Discussions With Prime Minister Hashimoto

President Clinton. Let me just say very briefly that I am delighted to have this opportunity to meet with Prime Minister Hashimoto. We have met many times. We have worked closely together. I am grateful for the partnership that we have had. I would like to especially thank him for the strong statement and actions that he made in response to the nuclear tests in India. I think it was a very good example for the rest of the world.

And I would like to say that we have noted with great respect the efforts the Prime Min-

ister has made to bring growth back to the Japanese economy. We support the economic package that he has announced and think it is a strong one.

We believe that still some things will have to be done in the area of banking reform, which I hope we can discuss. But I want to make it clear that for the United States a strong and growing Japanese economy is very much in our interests and in the interests of all the people who live in the Asia-Pacific region, as well as the Japanese people.

Finally, let me say I have invited the Prime Minister to come on an official visit to Washington in July, and I hope he will be able to accept so that we can continue to work together.

Prime Minister Hashimoto. I'd like to say a few words myself. I'm very honored to have this official invitation to visit Washington, DC, in July, and I'm very pleased that I will be able to accept it.

And I totally share the President's, Bill's, intention that the international community must issue a strong and unequivocal statement on the nuclear experiment by India. We have to stop the contagious effect of this experiment in the region. And also the developing situations in Indonesia, in both our minds this is an issue of common concern, so I look forward to discussions on these issues.

And also I would like to state the Japanese positions on the issues of Asian economies, as well as the Japanese economy, to the President. And since he's the big brother in the summit for me, I would like to listen to his advices as well.

And also I'm very pleased that the two Governments are issuing the agreed statement on electronic commerce today. And also, we are to confirm the progress on the deregulation issues, confirming the direction and contents of our efforts.

And I must stress that the deregulation dialog is a two-way street, so I very much look forward to very positive responses by the American Government on the issues that we are raising.

But if we talk too much here today, we will be having fewer minutes for our discussion. So I'd like to stop here.

Japanese Economic Recovery Program

Q. Mr. President, let me ask about the Japanese tax cut issue. Are you going to discuss this issue with the Prime Minister?

President Clinton. Well, we will probably discuss it in the meeting, but I believe the—as I said, the Prime Minister has proposed what I believe is an aggressive economics program. I think that the tax cut and the investment and spending initiatives also have to be accompanied by effective banking reform, and we need to discuss that. And I agree with what the Prime Minister said. We want to have a mutual deregulation initiative, and we've talked about this in several areas, and we've made some progress. I hope we will be able to put out statements for you before we—at least before the summit is over, some time in the next couple of days, which will indicate what we're doing so that both of us will be seen to be doing more to try to restore growth in the Asia-Pacific region.

NOTE: The President spoke at 10:34 a.m. at the Swallow Hotel. In his remarks, he referred to President Soeharto of Indonesia; Prime Minister Nawaz Sharif of Pakistan; and Prime Minister Atal Bihari Vajpayee of India. Prime Minister Hashimoto spoke in Japanese, and his remarks were translated by an interpreter. A portion of these remarks could not be verified because the tape was incomplete.

Exchange With Reporters Prior to Discussions With President Jacques Chirac of France in Birmingham

May 15, 1998

Group of Eight Response to Nuclear Proliferation in South Asia

Q. Mr. President, will you be trying to persuade the other summit leaders to impose sanctions on India?

President Clinton. First of all, I would like to thank President and Mrs. Chirac for the wonderful reception that Hillary has received in France. She was there for a couple of days; she was able to go out with Mrs. Chirac to her constituency. And she called me last night very, very excited and very pleased. And I thank you for your hospitality. It was wonderful.

President Chirac. The visit was simply fascinating, as we heard. And I certainly agree with that.

President Clinton. We're going to discuss this. As you know, I think it's important, and we take a clear position. I hope we can convince Pakistan not to engage in testing. I'd like everyone to sign on to the Comprehensive Test Ban and work together to reduce the nuclear threat. There are ways for a great nation to preserve its security without nuclear weapons, and that's what I want to focus on.

Middle East Peace Process

Q. Mr. President, there were eight people killed on the West Bank. Is that a sign people are losing hope in the peace process there, and what can you do?

President Clinton. Well, we know there's a lot of frustration there, and I regret very much the loss of life as well as the tensions which occurred there. I saw the—all I know is what I saw on television last night. But for me, the larger lesson is that delay is not the friend of peace and that we need to work very hard. I'm encouraged that Secretary Albright and Prime Minister Netanyahu are still working, and we need, I think of all us, to try to come to terms with the difficult issues that would at least get the parties into the final status talks.

We have been more than a year now without any substantial progress. And I think the larger message here, apart from the tragedies involved for everybody, is that delay is not the friend of the peace process. It's time to move.

Situation in Indonesia

[At this point, a question was asked and answered in French, and a translation was not provided.]

President Chirac. Well, of course, we would like to have a peaceful solution to the Indonesian crisis. All the more, considering that Indonesia needs the international community in order to overcome the financial crisis. And of course, we will encourage fully any solution that would be liable to settle the political crisis in Indonesia.

President Clinton. Let me say, first, we have been working since last November with