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For a half-century, our friendship has been a bedrock of security in Asia. It remains so. But now it is proving itself in the face of new challenges, as well—from protecting the environment to fighting AIDS, to stopping the spread of deadly weapons. We are allies today, because we share common values and a common vision of the future, rooted in democracy, human rights, and political pluralism.

Mr. Prime Minister, you have been in office less than a year, but already you have taken important steps in meeting the challenges that face you and reaching the goals that unite us. Our nations are proud to reaffirm our partnership for the new century. We value our security relationship, what it does to build peace in northeast Asia, our common efforts in Indonesia, and Japan's consistent contributions to relief efforts so far from your shores, from Central America to the Middle East and, now, to Kosovo.

The economic difficulties of recent years have been a challenge to many people in Japan and throughout Asia. But with the right choices, Japan—and Asia—will emerge stronger, more open, more democratic, better adapted to meet the 21st century.

In just a few years, we will mark the 150th anniversary of our relationship. The Japanese and the American people have come a great distance in that time together. We work together; our children study together; our Armed Forces have served together. We even share a national pastime. In fact, just last Saturday, at a time when American Major League Baseball teams all across the country are competing for Japanese pitching talent, a new pitcher from across the Pacific threw out the first ball at Wrigley Field. Mr. Prime Minister, you did a fine job. [*Laughter*]

Mr. Prime Minister, the Japanese-American friendship is testament to the basic truth that with trust and understanding and genuine partnership, we can meet the challenges of the new century and give our children a more peaceful and prosperous future.

Mr. Prime Minister, Mrs. Obuchi, you honor us with your visit and, again, we welcome you to the United States.

NOTE: The President spoke at 9:55 a.m. on the South Lawn at the White House, where Prime Minister Obuchi was accorded a formal welcome with full military honors. In his remarks, he referred to Prime Minister Obuchi's wife, Chizuko. The transcript made available by the Office of the Press Secretary also included the remarks of the Prime Minister.

The President's News Conference With Prime Minister Obuchi

May 3, 1999

President Clinton. Good afternoon. Please be seated. It is a great honor to welcome my friend and a friend of the American people, Prime Minister Obuchi, to Washington. I want to say a few words about our meeting today, but first let me say how very pleased I am that our three servicemen are coming home from Serbia, and to express my thanks to Reverend Jackson and his entire delegation for their hard work in securing their freedom.

While we are very thankful for their release, let me be clear why the military operations must continue. Three Americans are home. Their families, their friends, and the American people whom they have served faithfully must be grateful. But nearly 1½ million Kosovars are not home. In fact, 2 days ago, as our prayers for our soldiers were being answered, Serbian soldiers were entering the Kosovar town of Prizren, going door to door, ordering everyone to leave or be killed. In a few hours, all 10,000 who lived there were forced to flee. When will these people see their homes again, with the safety and rights Mr. Milosevic has often pledged, but never delivered?

Remember, what is going on in Kosovo is part of a decade-long policy of ethnic and religious subjugation and cleansing, involving expulsion, destruction of records and symbols of history and culture, and, ultimately, rape and murder.

Our conditions for ending the bombing are not complicated. The Kosovars must be able to go home with security and self-government. Serbian security forces must leave Kosovo. An international security force must deploy with the power not just to monitor

but to protect all the people of Kosovo—Albanians and Serbs, alike. Our air campaign cannot stop until Mr. Milosevic shows he is ready to end the nightmare for the people of Kosovo.

I want to thank Prime Minister Obuchi for Japan's strong support of our efforts in Kosovo and for its contribution of $200 million to aid the Kosovar refugees and to help them rebuild. All freedom-loving people are grateful to Japan for this generosity.

Underlying this act and, indeed, all the policies we discussed today, are two basic facts: First, the United States and Japan have common ideals, common interests, a common purpose in the world. Second, as the world's two largest industrial democracies, with less than 10 percent of the world's people, we produce about 40 percent of the world's wealth. We have unique responsibilities. We discussed them today, beginning with our security alliance.

We in America are gratified that the lower house of Japan's Diet now has approved a new set of U.S.-Japan defense guidelines to allow us to respond with flexibility and speed to any regional crisis in Asia.

We spoke about North Korea and the concerns we share about its missile and nuclear programs. We're grateful for Japan's continued support for the Korean Energy Development Organization, which is critical to our effort to diminish the threat of proliferation on the Korean Peninsula.

We spoke about the difficult but profoundly important transition to democracy in Indonesia. Our countries have pledged around $30 million each to support elections there in June. We applaud President Habibie's commitment to give the people of East Timor a free choice in determining their future. We should support a meaningful U.N. presence in East Timor so its people can make their choice in safety and peace.

Finally, we had a good discussion about Japan's economic situation and its strong efforts to build a stable, growing economy for the next century. I want to commend the Prime Minister for taking a number of very strong steps to restructure Japan's banking system and stimulate its economy.

No one should underestimate the challenges the Prime Minister is facing. The Japanese people are going through a period of wrenching change. This dislocation, however, is not the result of reform; it is the reason reform is necessary. All of us have to change. And we also respect the deep desire of the leaders and the people of Japan to go through this change in a way that leaves no one behind and brings their people closer together.

Until lasting recovery is at hand, we hope Japan will use all available tools to restore solid growth. I'm very pleased that we have reached agreement under which Japan will take steps to deregulate and to open its medical device, pharmaceutical, telecommunications, housing, and energy sectors, as well as agreements to enhance antitrust cooperation between our countries, and make it easier for foreign companies to invest in Japan. We agreed today to work toward a third deregulation report by the end of March next year.

We must also fully implement our trade agreements, including critical sectors such as insurance, flat glass, government procurement, autos, and auto parts.

On the profoundly important issue of steel, we have made progress. But I reiterated that we will take action if steel imports do not return to their precrisis levels on a consistent basis. Playing by the rules of trade is the best way to sustain a consensus for open trade. I have fought for both objectives. It will help Japan adapt to the challenges of the new global economy.

Last week the Prime Minister wrote a remarkable article in the New York Times in which he said something I believe. And I quote: "When Japan overcomes its current economic difficulties, it will emerge a more vibrant and flexible society and in an even stronger support—position to support the values we share so deeply with the United States."

Mr. Prime Minister, that is a goal we will advance together, as allies and as friends. Again, I welcome you to the United States, and the floor is yours.

Prime Minister Obuchi. Thank you very much, Mr. President. I'd first of all like to express my sincere gratitude to the President for inviting me to pay an official visit to the United States and to the Government and

the people of the U.S. for their very warm welcome.

Prior to my arrival here in Washington, I visited Los Angeles and Chicago and met many American citizens from all walks of life who also extended me a very, very warm welcome. I was impressed through these meetings by the great progress that has been made in the exchanges between our two peoples, as well as the solid mutual trust that so strongly binds our alliance and partnership.

Earlier today, during the luncheon hosted by Vice President Gore, we shared our views that will further expand our bilateral relationship by encouraging the two peoples to join in through such organizations as NGO's.

In my discussions with President Clinton, we both confirmed as allies—we share the common values of freedom, democracy, and respect for human rights—that our two countries will cooperate toward our common goal of building a peaceful and prosperous world for the 21st century.

Regarding the problem in Kosovo, let me first join the American people in rejoicing for the release of three U.S. servicemen. I stressed that it is important for the international community to act in concert, through diplomatic efforts, to find a political solution. I welcome the dialog between the U.S. and Russia, which is going on today, and I pay respect to the efforts made by President Clinton.

From the viewpoint of supporting the U.S. effort, among others, I decided before departing from Japan on an aid package for refugees in the Republic of Macedonia and the Republic of Albania, as well as for other purposes, which brings the Japanese pledged contribution to a total of $200 million.

Regarding the Japanese economy, I explained to the President that Japan is swiftly and boldly taking every measure in order to address the difficulties we are facing and to achieve Japan's economic recovery. Referring to specific measures aimed at the revitalization of the Japanese economy and structural reform, I also explained that we'll pave a solid path for recovery within fiscal year 1999 and will continue our effort with unwavering resolve to ensure positive growth. Japan's economy and society are already experiencing broad-based change, and by continuing to advance structural reform, I firmly believe that Japan will soon regain its vitality.

We reaffirmed the importance of ensuring the effectiveness of the guidelines for Japan-U.S. defense cooperation. To resolve the issues involving Okinawa, we shared our views that we would continuously strive to steadily implement the recommendations in the final report of SACO—Special Action Committee on Okinawa—while giving due consideration to the situation in Okinawa.

We also discussed our cooperation to secure peace and prosperity in Asia. Regarding our policy toward North Korea, Japan supports the comprehensive and integrated approach currently being worked out by North Korea Policy Coordinator William Perry. We shared the view that, based upon close coordination among Japan, the United States, and the Republic of Korea, we would continue our policy toward North Korea while striking a balance between dialog and deterrence.

Public opinion in Japan is very negative due to problems related to North Korea, such as the missile launch, suspicion of abductions, and spy ship activity. But Japan considers KEDO to be important for its national security, because it provides the most realistic and effective framework for preventing North Korea from developing nuclear weapons.

With this in mind, the Government of Japan has signed the KEDO-Government of Japan loan agreement earlier today—that is, the 3d of May. Moreover, we affirmed the importance of further developing the bilateral cooperative relationships between Japan, the United States, and the Republic of China, respectively. I emphasized the importance of China's early accession to the WTO and shared the view with President Clinton that our two countries will cooperate toward achieving China's accession within this year.

With regard to Indonesia, I told the President that Japan is making its utmost effort to support reform in Indonesia, including the holding of general elections in June. In response to the Asian economic crisis, we shared the view that our two countries will cooperate from the vantage point of helping out the socially vulnerable in Asian countries.

In addition, we affirmed that we will cooperate even more closely toward the early realization of the United Nations Security Council reform and to improve the ability of the United Nations to cope with disputes.

On the economic front, we shared the opinion that both Japan and the United States should play leading roles in strengthening the international financial system and in initiating the next round of WTO negotiations.

Both the President and I welcomed the following achievements through the Japan-U.S. dialog on deregulation and investment: the efforts by the Government of Japan and other entities to promote investment; substantive meeting of minds on agreement between Japan and the United States concerning cooperation on anticompetitive activities; and significant progress in Japan-U.S. Y2K cooperation.

Japan and the United States first met in the mid-19th century. Since then, the Japan-U.S. relations have seen sunny, cloudy, and some stormy days. Due to the untiring efforts of our two peoples over the last half-century to advance mutual understanding, we have succeeded in building a solid relationship of trust.

Since I first traveled to the United States 36 years ago, I've visited the United States almost every year through a congressional exchange program to promote friendly relations between Japan and the U.S. As the world now stands ready to embrace a new century, we share the view that it is the mission of Japan and the United States to take the initiative and put our heads together in cooperation so that the peoples of more countries can enjoy increased security and prosperity. Clarifying this shared vision, I believe, is the greatest achievement to come out of this summit meeting.

Thank you very much.

President Clinton. Helen [Helen Thomas, United Press International].

Negotiations and the Safety of Kosovar Refugees

Q. Mr. President, all of the recent public statements from the White House indicate that there's no room for negotiations. Are you asking for total capitulation, total victory, or is there any flexibility in negotiations, say, in the makeup of the international peacekeeping force?

President Clinton. Well, let me answer the question, but, first of all, let me say, I don't think you can characterize it as total victory. That's not what I'm asking for. What I'm asking for are the minimal conditions necessary for the Kosovars to be able to go home and live in security with self-government. That is, they won't go home unless the Serb security forces are withdrawn, and they won't go home unless there is a credible international security force, in which NATO plays a role.

Q. But does America have to be a part of it?

President Clinton. Now—well, I don't think that a lot of the Kosovars will go home if we're not a part of it.

On the other hand, I have always said, from the very beginning, that the United States was open to a broad security force. We would welcome the United Nations embrace of such a security force. That's exactly what we did in Bosnia; the Russians were there. I personally think it's quite important that the Russians, perhaps the Ukraines, perhaps others who come from the Orthodox tradition, who have close ties to the Serbs, be a part of such a mission. That's one of the reasons that it has been as successful as it has in Bosnia, and one of the reasons there's been as little violence as there has been there.

And I have been quite encouraged by President Yeltsin's involvement here, by Mr. Chernomyrdin's involvement. I look forward to seeing him later in the day.

And I'd like to also remind all of you, and the people in Serbia as well, that perhaps the most important new element to come out of the NATO meeting last week was that all the NATO Allies, which means, in effect, the EU, recognize that it was important not just to bring this terrible episode to an end on satisfactory terms that clearly reverse ethnic cleansing, and repudiate that policy, but also to give the people of Kosovo, the people of the Balkans, the people of southeastern Europe a larger future together than they have by continuing to fall out with each other and fight with each other, and than they would

have if Mr. Milosevic continued to pursue his policies of ethnic and religious cleansing.

So it seems to me that given those two things, there's plenty to talk about, to work on, to engage not only the Serbs but the other people of southeastern Europe. But on the basic core conditions, that's not a prescription for a victory by NATO or the United States; that's a prescription for what it will take for the Kosovars to be able to go home and live safely and have a measure of autonomy. That is what is necessary.

Mr. Prime Minister, would you like to call on a Japanese journalist?

Japan Aid to Kosovar Refugees/Role for Japan in Solution

Q. Mr. Prime Minister, on the Kosovo situation, the Government of Japan has decided to provide $200 million, basically for supporting the refugees. Now, in connection with this, I wonder for a political solution, is there any attempt by the Japanese Government to consider any role it could play?

Well, I think there is some expectations that Russia might play a role here, and in view of relations with Russia, I wonder if there is any possibility Japan might seek a role to play through Japan-Russia relations. And I wonder if, Mr. President, you have any expectations that Japan play some role here with regard to Kosovo.

Prime Minister Obuchi. Well, I wholeheartedly support and agree with the basic philosophy of President Clinton that efforts be made to achieve a peaceful and democratic society in Kosovo, in which all ethnic groups will equally share rights and freedom. And I would like to pay respect to the United States for all the efforts it has been making for a political solution of the problem.

Now, Japan certainly intends to provide not only financial cooperation of, say, $200 million, but also, as a member of the G–8 countries, would like to make efforts towards a political solution. And in this connection, at the meeting today as well, I mentioned to President Clinton that it is important to form a common stand amongst the G–8 countries and asked President Clinton to engage in even closer consultations with the Russians. Certainly also intend to take every opportunity available to work on the Russians.

Now, my supreme foreign policy advisor and my predecessor, former Prime Minister Hashimoto, visited Russia quite recently and, of course, discussed Japan-Russia issues very candidly with President Yeltsin. And on that occasion, he also exchanged views very candidly with Mr. Yeltsin on the Kosovo situation as well. So as a member of G–8, Japan also wishes to study and consider actively what role it can play with regard to a political solution to the situation.

Now, with regard to this support, assistance for the refugees in Kosovo, we have had numerous telephone conversations, or I've had numerous telephone conversations with Madam Ogata, who heads the United Nations High Commission of Refugees, and we very much hope that we could provide this support which will enable their early return and peaceful life back in Kosovo, and also for supporting in the time being the refugees that have to stay on in Macedonia and Albania.

In addition, we see that, increasingly, Japanese NGO's are becoming active, visiting Kosovo or the neighboring areas, and trying to glean information on the ground, and we, therefore, would like to support their activities as well.

President Clinton. In response to the question you directed to me, I guess I do see the potential for Japan to play a very constructive role here by working with the Russians and by working through the G–8.

And I think that one aspect of the Japanese aid package, which I did not mention earlier, although the Prime Minister did, is the fact that they have also set aside funds for Macedonia and Albania. And this is quite important, because stabilizing those countries is critical to having a long-term vision of a united, not a divided, Balkans and southeastern Europe, driven by common economic and political interests, not divided by ethnic and religious differences.

So yes, I believe that Japan can play a very constructive role here, and I think its influence will be enhanced considerably by the

generosity of its gift and by both the humanity that it reflects and the political understanding it reflects by allocating some of the funds to Macedonia and to Albania.

Terry [Terence Hunt, Associated Press].

Significance of Release of U.S. Infantrymen From Serbia

Q. Mr. President, Reverend Jackson seems disappointed that NATO did not suspend its bombing after he won the release of the three American servicemen, even calling it an arrogance of power. Do you think that the release of the three POW's suggest that Mr. Milosevic is looking for a way out? Or are you concerned that he might be trying to use this for a propaganda victory to exploit and divide the NATO Allies?

President Clinton. Well, the truth is we don't know—maybe a little of both. But I think that one of the things we've learned in dealing with Mr. Milosevic now for, on my part, over 6 years, is that you have to judge him by what he does, and what he does in this case, not just with the soldiers.

Remember, these soldiers were not involved in our action in Kosovo or over Serbia. These soldiers were stationed in what was, until the time ran out, a United Nations mission in Macedonia to stabilize that country and help those people stay out of this conflict. They were not in any way, shape, or form involved in this conflict. So I'm grateful for their release.

But we have made it clear all along that the bombing campaign was our effort to reverse what has been done to the Kosovars and our effort to act more quickly than Europe and the United States acted in Bosnia so that we wouldn't have twice as many refugees and many times as many deaths, where a quarter of a million people died in Bosnia.

So we have to look at that from that point of view. And in terms of words, we had words last October and before where Mr. Milosevic made certain commitments and then they were abandoned. We have tried diplomacy. We have said that under the right circumstances we would be willing to have a bombing pause. But we would need an acceptance of the basic principles and at least the beginning of withdrawal of Serb forces. And I don't believe that we should change that position.

Helen asked me the question about, you know, where was there room for discussions, and I think there's room for discussion, within limits, about who's in this force and all of that. And I think the most important discussion is, what do we do for Serbia, for Macedonia, for Albania—including, obviously, Kosovo and Serbia—and all the rest of the Balkans and their neighbors in southeastern Europe when the fighting is over?

So I just have a different view here. I think that—I am very grateful that these people have been let go—very grateful. But we have to have some indication, other than the uprooting of another 10,000 people, that the release of the pilots is somehow related to a general change in the human attitude toward the people of Kosovo. And we don't have that yet. The two things are completely separate so far.

I hope we will have soon. I think the American people know me well enough now, after all these years, to know that I do not enjoy sending young Americans into harm's way. I do not enjoy operations that I know will inevitably, from time to time, no matter how good our equipment and how brilliant our pilots, lead to unintended casualties of people who, themselves, did not perpetrate these terrible conditions.

But let me remind you: We have lived through, now nearly a decade, of a systematic attempt to uproot, subjugate, and destroy people because of their ethnic and religious heritage. That is what we have to reverse; that is what we are trying to stop. And we can have a bombing pause if it's clear that it will be in aid of that larger purpose.

Japanese Economy/Role in Kosovo Peacekeeping Force

Q. Prime Minister Obuchi, two questions: One on the Japanese economy and the other on Kosovo. On the Japanese economy, I believe in the morning meeting you had with President Clinton, President Clinton asked that it is important to maintain the economic measures in place, or that these measures not be withdrawn. And I wonder, you are advancing the implementation of public investment, and I think it is conceivable that these

measures will run out of steam, say, in coming autumn. So including the possibility of drawing up a supplementary budget, I wonder if you have any thoughts about further fiscal measures.

On the Kosovo question, NATO has been saying that after the Yugoslav security forces withdraw from Kosovo, peace should be maintained by sending in international peacekeeping forces, or forces for international supervision. And I wonder if Japan considers it possible for a Self-Defense Force participation.

Mr. President, on the Japanese economy, I wonder if you do hope Japan to mobilize further fiscal and other measures to stimulate the economy.

Prime Minister Obuchi. Let me first handle those questions. On the future questions regarding the Japanese economy, at the meeting we had this morning, President Clinton referred to the various measures that I've instituted since I took office, and he indicated very high appreciation for that and also indicated his hope and expectation that these measures will be kept up.

The greatest problem for the Japanese economy was the financial sector problem—the financial system problem, and with the two laws being put in place, I believe we now see the financial system moving ahead towards regaining international confidence. Unfortunately, earlier this year, some major banks faced financial difficulties and were placed under tentative government or public administration. But through this—shows somewhat a hard landing—I believe that international confidence has been rising toward the Japanese financial system. And I believe that with the achievement of greater stability in the national system, the Japanese economy will be able to make a major turnaround.

At the same time, with regard to fiscal mobilization, or fiscal spending, we froze the fiscal structural reform plan or the law, and we also started the budget for the new fiscal year that mobilizes a very positive stimulation fiscally, and also emergency economic measures adopted last year are also being implemented. The budget for the new fiscal year that started on the 1st of April has been implemented very smoothly.

I think the question—perhaps because as so many measures have been instituted—that you were asking if there would be additional measures ahead, and also with a fear that these measures might run out of steam. But I'll squarely watch how things develop in this quarter—April, June—and should tangible results emerge from the measures we've already put in place, then I trust that the Japanese economy will turn around to a positive growth, somehow, following negative growth for 2 years back-on-back. So I believe there is full confidence in the measures in place today.

Now, it is true—well, the question was whether President Clinton has indicated any desire to see further measures, stimulus measures. No, I don't think that is the case. I believe we have adequate policy measures in place.

Needless to say, we have to pay utmost and elaborate attention to the ongoing situation, and I, therefore, am not suggesting the same things that I mentioned earlier, that what we have today would suffice. We certainly would continue to turn adequate attention and utmost care to the developments as they transpire. Having said that, at this moment I don't think the President suggested any additional fiscal stimulus.

With regard to your question on Kosovo—well, as far as Japan is concerned, as I mentioned earlier, it is, in the first place, important to consider how best we could help out the refugees, who are in a very unhappy state of affairs from a humanitarian point of view. Now, we certainly have to watch how things will transpire in Kosovo, what sort of international military presence will be organized. At this very moment, I certainly have no idea how things will shape up. And also inclusive of the discussions, consultations between U.S. and Russia, of course, the entire world is watching how things will go.

And I believe it is up to the negotiations amongst the countries concerned as to what sort of substance and composition this international military presence will take, and therefore, I'm not in a position to discuss in any way participation by the Japanese Self-Defense Forces.

President Clinton. The question you asked me, let me just try to repeat the points

I made. I'll do it as briefly as I can. First of all, I think the Prime Minister has been very aggressive on the economy over the last year, and he deserves a lot of credit for that—he and those who have voted with him in the Diet.

I made the following points: First of all, I hope that these stimulus measures would remain intact—not new ones but the ones on the books now—would remain intact until the economy clearly showed signs of sustained growth. I made that point because I would imagine this would be difficult since the Japanese people and their Government have clearly shown a commitment to long-term fiscal responsibility and don't like running deficits, and I don't blame them.

But the great threat of the world today, and particularly the great economic threat in Asia, is not inflation caused by deficit spending and printing too much money; it's deflation, contraction, caused by a lack of economic activity and frozen assets. So that is why I made that point in the hope that I could be helpful to the Prime Minister in pursuing his policy and staying with it.

The second thing I would like to say is, I think that Japan has adopted very far-sighted, even though expensive, legislation to reorganize the financial institutions and get them back to health. Our experience in the United States, when we had a similar but smaller problem with our savings and loans, is that the quicker you can take the assets that are tied to bad loans out from under the bad loans and, therefore, out of paralysis, and put them back into the economy, the quicker you can see growth again. And I think that is important.

And then the third point I made, which I mentioned in my remarks, is that I think that together we should continue to push restructuring, and we committed to another round of deregulation. So those were the points that I made.

Steve [Steve Holland, Reuters].

Conditions for NATO Bombing Pause in the Balkans

Q. Mr. President, you mentioned the bombing pause. Could you elaborate on the conditions for a bombing pause and what Mr. Milosevic needs to do at a bare minimum to achieve one? And will you be talking to Mr. Chernomyrdin about this tonight?

President Clinton. Yes—the second answer is, yes. And the first answer I will repeat, it hasn't changed—I think there has to be a clear commitment to let the Serbs come home—I mean, the Kosovars come home; to withdraw the Serb security forces and permit an international security force that has a mandate to protect both the Kosovar Albanians and the minority Serbs who live in Kosovo; and an understanding that the Kosovars will have a self-government, an autonomy, as they had under the previous constitution.

Now, what I said is subject to negotiation is who's going to be in the security force, how is it going to work, and all of that—except I do believe that the NATO group has to be a big part of it, because otherwise the Kosovar Albanians won't want to go back. Neither will the armed groups among the Albanians readily lay down their arms.

That's another thing that often gets overlooked here when people say, ''Well, what difference does it make if NATO is there? What difference does it make if the United States is there?'' Because we stood up for the rights of those people to be free of ethnic cleansing, to live on their own land, to have their autonomy, we have some claim of credibility in a peace process which we believe will enable us to be successful in getting them to agree to the terms of the peace, just as they did in France.

Secretary Albright was there. Keep in mind, a lot of people have forgotten that they agreed not only to go home and to have an international security force but to disarm and not to engage in further military operations themselves. And that is very, very important, if we're going to have a peace there.

So, if those conditions—and in terms of the bombing pause, that the withdrawal of forces must at least begin, so we know that we're not just stopping based on someone saying something, because he's said things to us before that didn't come to pass. So we want to see some action.

Now, beyond that, there is a great deal to be decided and a lot to talk about. And particularly, what are we going to do in the long-term to develop the whole region?

But these basic conditions—it's not, to go back to what Helen said, it's not so the United States or NATO can say, "We won a victory." It's so we can meet the need, the fundamental need of the situation—to have a human, secure existence for the Kosovars when they go home and so that we do not spawn yet another different war in the aftermath of the bitterness of this conflict.

North Korean Abduction of Japanese Nationals/Japan-Korea-U.S. Relations

Q. I'd like to ask a question of the President and the Prime Minister. First question for the President. In your earlier meeting with the Prime Minister, I believe on the question of North Korea, Prime Minister Obuchi referred to the problem of abductions of Japanese nationals by North Korea, asking for U.S. cooperation. Now, you place much emphasis on human rights issues, and as President, how would you respond to address this request of cooperation on the abduction issue?

A question for the Prime Minister. You visited Korea recently, and now you're here in the States. On the question of Korean Peninsula situation and North Korea, I believe you have agreed to maintain in close coordination among the three countries—U.S., Japan, and South Korea and North Korea. I wonder if, more specifically, how would you respond to the North Korean situation?

President Clinton. You have asked me a very specific, but a very important question. First of all, I don't believe that Japan should abandon this issue until it is resolved. In my Presidency, we still had people in Vietnam looking for our prisoners of war and for their remains. And if you believe that there are Japanese people who were abducted and taken to North Korea, I think you should keep working on it and looking until you find them alive or you know where they're buried. And I will support that very, very strongly.

My position is that if we can find a way to work with the North Koreans to remove the nuclear threat, to remove the missile technology threat and, ultimately, to remove the threat of conflict on the Korean Peninsula, it is more likely that other matters will also be resolved. But that's why I think it's so important that we work together and with the Chinese and with the Russians on this issue.

North Korea is still a very isolated country. Even China now does about 10 times as much business every year with South Korea as with North Korea. So I think you ought to stay at that. I have discussed this issue, actually, because it's so important to the Prime Minister—and it has been important to his predecessors. I have discussed this issue with the leaders of Russia and China and have made it clear that we would support the Japanese position that there had to be somehow an accounting for these people. Insofar as is humanly possible, we need to try to resolve their fate. And I think that is the right thing to do.

Prime Minister Obuchi. Thank you very much, Mr. President. North Korea is a neighbor of Japan, just across the water. And amongst the 180-odd member countries of the United Nations, North Korea is the only country with which we have not normalized diplomatic relations. And therefore, we need to engage in efforts to realize that as early as possible.

And to that end, as I've been saying from time to time, we believe both dialog and deterrence will be necessary. The North Koreans launched their missile over Japanese territory. They also have this problem of suspicious nuclear facilities and then also these cases of abductions of Japanese nationals. These being the case, we believe it is necessary for Japan to cooperate with the United States and the Republic of Korea, to engage firmly in efforts at deterrence, but at the same time, strive towards dialog.

Between the United States and North Korea, there already exists a channel for dialog, and also between North Korea and the United States—and also for Korea and China—there is a framework for discussions. Unfortunately, between Japan and North Korea, there is no such channel for dialog. So we would like to work on that actively.

On the KEDO question, which I referred to earlier, as I mentioned, we were able to sign the KEDO-Government of Japan loan agreement today. So, financially, I believe KEDO has been able to make a major step forward towards building light-water-reactor-powered nuclear stations.

Now, William Perry, North Korean Policy Coordinator, has visited Japan twice, and has advocated that Japan and the United States together work on a comprehensive and integrated approach towards North Korea. So under coordination and concerted efforts of the three countries, Japan would like to continue to make efforts.

President Clinton. We'll do one more each, maybe.

Scott [Scott Pelley, CBS News].

Conditions for NATO Bombing Pause in the Balkans

Q. Thank you, Mr. President. Three related points, if I may. First of all, what must Mr. Milosevic do to articulate this clear commitment that you seek? Second, what do his forces on the ground have to do? And how quickly would a NATO bombing pause follow?

President Clinton. Well, I don't know how else I can say what I have already said. And we will discuss—I mean, I hope I'll get a chance to get into some of this with Mr. Chernomyrdin today, and I expect I will. We want to be clear that all the Serbs can come home—I mean, all the Kosovars can come home; that the Serb security forces will leave; that we will have clear and unambiguous evidence that a withdrawal is underway; and that the other conditions I mentioned in terms of self-government and especially the international security force have been accepted. Then we could have a bombing pause.

I will say again: I do not relish every night sending young Americans and our NATO Allies up in planes, flying very fast under very hazardous circumstances in which their safety is at risk. I do not relish the continuing burdens on the people of Albania and Macedonia. I am eager to get the Kosovars out of the camps and on their way back home and rebuilding. I do not relish the thought that, inevitably, some of those bombs will go astray and some Serbian civilians or some Kosovar civilians could be killed.

I am not trying to drag this out, but I am determined to pursue our policy until we know that we have a chance to do what has to be done in order for this to work, as a practical matter; and in order, finally, to clearly and unambiguously reverse the policy of ethnic and religious cleansing.

We are standing—I think that is quite simple, and I don't believe that I've been very complicated or hard to understand here.

Q. No, sir, but is it as simple as a telephone call, sir, to Mr. Solana or to yourself? Or does there have to be a negotiation of some kind?

President Clinton. Well, we have—the diplomatic efforts are ongoing, and I think we should allow them to go on and encourage them. But it's not for lack of clarity of conditions here. We're quite clear. I don't think there's any ambiguity here.

Japan's Role in China-Taiwan-U.S. Relations

Q. A question for President Clinton. As a result of the passage of the new defense cooperation guidelines, I think the major question now is, how—in case a major regional conflict occurs, how Japan will cooperate. And I believe for Japan a major delicate issue will be in case a conflict occurs between China and Taiwan. So, Mr. President, in case that sort of conflict occurs between U.S. and China, what sort of support will the United States give to one of the parties? And in that instance would you request Japan's cooperation under the new guidelines?

President Clinton. Well, let me reiterate our policy. I think the best way for me to answer that question is to reiterate our policy. Our policy is that we support "one China," but we also support China and Taiwan resolving their differences by peaceful means. And we have done everything we could for many years now, including during my time here in office, to take preventive action when we were afraid the peace might be broken. Our policy is to have a vigorous engagement of China so that we can reiterate both our "one China" policy and our conviction that the differences between Taiwan and China ought to be resolved peacefully.

I have found that as long as that is our clear policy, and as long as we demonstrate our determination to do everything we can in terms of the moves we make and the words we say to avoid a break in the peace, that that is a better policy than answering hypotheticals, like the one you asked me.

I think that—in a larger sense, what I would like China to know, and what I believe, is that both the United States and Japan would like to have a 21st century in which we work together and cooperate and there is no fighting. The three of us, together, could do great things in the Asia/Pacific region. We also, however, would like to be together based on shared values. And I think that is important for me. I worked very hard to convince President Jiang Zemin of that, Premier Zhu, and the people of China when I was there.

China is a very great country, and there need not be that sort of conflict over this issue. And I think that our strong defense cooperation—Japan and the United States—should not in any way be seen as directed against China. It is in favor of advancing both the security interests of our two countries and the values we embrace.

And we hope—I'll let the Prime Minister speak for himself—but I think I'm quite sure in saying that both of us hope that our successors in the 21st century will see China as a great partner, and the three of us will be working together for peace and stability, prosperity, and freedom in the Asia/Pacific region.

Prime Minister Obuchi. Well, I believe the question wasn't directed to me, but—well, I believe with regard to the new defense cooperation guidelines, this is to more steeply and effectively put in operation the Japan-U.S. security treaty, and this certainly would further strengthen the ties between Japan and the United States. Should the relevant bills pass the upper house as well, before long, then I believe the Japan-U.S. relationship will become even more firm.

Thank you very much.

President Clinton. Thank you very much. Thank you.

NOTE: The President's 174th news conference began at 3:10 p.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. Prime Minister Obuchi spoke in Japanese, and his remarks were translated by an interpreter. In his remarks, the President referred to the three U.S. infantrymen released from custody in Serbia: Staff Sgt. Andrew A. Ramirez, USA, Staff Sgt. Christopher J. Stone, USA, and Specialist Steven M. Gonzales, USA, and civil rights leader Jesse Jackson, whose personal appeal won their release; President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro); President B.J. Habibie of Indonesia; President Boris Yeltsin and Special Envoy and former Prime Minister Viktor Chernomyrdin of Russia; and President Jiang Zemin and Prime Minister Zhu Rongji of China. A reporter referred to Secretary General Javier Solana of the North Atlantic Treaty Organization.

Statement on the Tourist Boat Tragedy in Hot Springs, Arkansas

May 3, 1999

Hillary and I were heartbroken to hear this weekend of the 13 people killed when a tourist boat sank in my hometown of Hot Springs, Arkansas. I know Lake Hamilton well, and I am terribly saddened that this beautiful lake has become the site of such a tragedy. I commend all those Hot Springs residents who worked courageously to save lives in the moments after the sinking. Hillary and I send our thoughts, prayers, and deepest sympathies to all those families mourning their loved ones. As it is written in the Bible, God "will not in any way fail you, nor give you up, nor leave you without support."

Message to the Congress Transmitting a Report on the National Emergency With Respect to Narcotics Traffickers Centered in Colombia

May 3, 1999

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995.

William J. Clinton

The White House,
May 3, 1999.