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# The U.S. and Asia: Building Democracy and Freedom

By

President George Bush

[The following represents a selection of excerpts taken from remarks of the President before the Asia Society in New York City on 12 November 1991.]

As you know, I have just returned from Rome, that NATO meeting, and The Hague for an EC [European Community] 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 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 2, possibly November 4. 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. [Editor's Note: President Bush subsequently conducted this Asian trip in early January, 1992, visiting, in turn, Australia, Singapore, South Korea, and Japan.]

But make no mistake, however, I will not turn my back on my responsibility to do the nation's business here and abroad. 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 has 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 1980s. The Australian economy grew 41%; Japan's nearly 52%; Malaysia almost 60%; Hong Kong—there are many here from Hong Kong tonight—89%; Singapore, 93%; Taiwan, 116%; and South Korea, 150%.

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 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.

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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. Instead, I will address three central issues in our relationships with the nations of the region: security, democracy, and trade.

## **A STRONG FOUNDATION FOR FUTURE SECURITY**

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 have 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 [Association of South East Asian Nations] nations, Japan, Australia, and the UN 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 peace-making 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-MIAs [prisoners of war/missing in action].

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 and the Japanese and 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 environmental protection, trade, arms control, refugees, and regional peace. We have 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

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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.

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 add, 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.

## **BUILDING ECONOMIC PROSPERITY**

This brings us then to the third focal point, and a crucial ingredient in a stable, free society: 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—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've made a good start: The Asia Pacific Economic Cooperation (APEC) group encourages growth and trade.

The Uruguay Round of GATT [General Agreement on Tariffs and Trade] 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

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trade, opening up markets in manufacturing, services, and agriculture. Our Structural Impediments Initiative talks have helped lower barriers to trade and investment. But we need to give those talks new life—give them a kick—and create a better climate in Japan for US 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 levy an unacceptably high effective tax rate on capital gains. Germany levies no capital gains tax. The complicated Japanese tax averages about 1%. This puts our own business people, our own entrepreneurs and venture capitalists at a huge and shameful disadvantage compared to our Asian trading partners.

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.