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Meeting with Prime Minister Kaifu 4/4/91 [OA 6897]

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People - Fall Dan

493

Aug 8/9, 1989

McGroarty/Dooley  
April 2, 1991  
8:25 am  
[KAIFU]

PRESIDENTIAL REMARKS: STATEMENT FOLLOWING MEETING WITH  
PRIME MINISTER KAIFU  
NEWPORT BEACH, CALIFORNIA  
APRIL 4, 1991  
X:00 pm??

Mr. Prime Minister, a little more than one year ago, we met in Palm Springs. Since that time, we have witnessed a world of **change** -- events that will shape the world we live in for years, even decades, to come. We stand at the end of one era and on the threshold of the next. With **change** comes new **challenges** -- for both our nations -- with global implications for **growth, stability and peace.** //

Our success in shaping this new world depends to a very great extent on the ability of our two nations to work in common purpose. So let me focus for a moment on the very real progress we've made since last year's meeting in Palm Springs:

**We've moved to ease trade tensions.** In the past year -- working together in the Structural Impediments Initiative -- we have resolved significant trade disputes. We have made solid progress in the area of telecommunications, supercomputers, satellites and forest products. We need to move ahead now in construction, semiconductors and other areas. Today, Mr. Prime Minister, let us reaffirm our commitment to bring down barriers to free and fair trade -- and build on the open exchange that benefits both our nations. //

Michael Wilson  
Palm Springs  
Houston  
- Washington  
x

Michael Wilson  
546-4400

Our efforts to expand free trade have translated into real results. In 1990, the U.S. trade deficit with Japan fell for the third straight year. American exports to Japan continued to rise -- up more than 70% since 1987.

Mr. Prime Minister, together, our two nations account for 40% of the world's overall economic output. We share a special responsibility to maintain and strengthen the multi-lateral trading system. Japan and the U.S. can be powerful forces for global prosperity. But we cannot act as catalysts for growth in a world system where free market forces are in retreat. That is why the success of the Uruguay Round trade talks is critical. Along with other nations, Japan and the U.S. must continue to urge the elimination of counter-productive trade barriers in all areas --including agriculture. And once again, **I call on the U.S. Congress to take decisive action.** Send a clear signal that America stands for free trade by extending Fast Track Authority.

Trade is just one dimension of our relationship. Last year, our two nations marked the 30th anniversary of our Mutual Security Treaty. Our commitment to common defense has never been stronger -- and yet here, too, our longstanding alliance continues to adjust to new challenges and new realities. Just this January -- in keeping with its growing economic wherewithal -- Japan has agreed to increase its already significant share of the costs as host nation to American forces.

Let me be clear: The United States welcomes the broadest possible participation by Japan **in world affairs**. In the past

year, we've seen a significant easing of tensions in Europe. I call on Japan to join with us in seeking solutions to regional conflicts that threaten stability in the Pacific. //

And I thank Japan as a key member of the coalition that triumphed over the forces of aggression in the Persian Gulf. For the first time, Japan took part in a multinational peacekeeping effort -- and provided a level of financial support to OPERATION DESERT STORM exceeded only by Saudi Arabia and Kuwait. //

Mr. Prime Minister, for more than forty years Japan and the United States have been partners -- **partners in democracy, partners in prosperity, partners in peace.** // I am convinced that our meeting today proves that this partnership remains strong -- that together we will constitute a source of stability, now and into the next century.

# # #

THE WHITE HOUSE

WASHINGTON

April 3, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: TONY SNOW *TS*  
FROM: DAN MCGROARTY *D.M.G.*  
SUBJECT: STATEMENT FOLLOWING MEETING WITH PRIME MINISTER  
KAIFU

I. SUMMARY

On Thursday, April 4, you and Prime Minister Kaifu will make statements following your meetings in Newport Beach, California.

II. DISCUSSION

The remarks highlight the progress in trade disputes that has been made in the past year between the U.S. and Japan, and the hope that even more can be accomplished this year. They also emphasize the long strategic relationship between our two nations, and thank the Japanese for their support in the multinational coalition against Iraq.

# # #

McGroarty/Dooley  
April 2, 1991  
5:00 pm  
[KAIFU]

PRESIDENTIAL REMARKS: STATEMENT FOLLOWING MEETING WITH  
PRIME MINISTER KAIFU  
NEWPORT BEACH, CALIFORNIA  
APRIL 4, 1991  
3:45 pm

Mr. Prime Minister, I think back to when we met in Palm Springs last March. One year -- and a world of change. Since then, we closed the last chapter on the Cold War. We built a coalition that rescued a tiny nation from a terrible fate -- we defended an ideal that is good and right and just. //

But our work is far from finished. With change comes new challenges -- for both our nations -- with global implications for growth, stability and peace. //

Our success in shaping this new world depends to a very great extent on the ability of our two nations to work in common purpose. So let me focus for a moment on the very real progress we've made since last year's meeting in Palm Springs:

We've moved to ease trade tensions. In the past year we have resolved significant trade disputes. We've made solid progress -- opening new markets to satellites, telecommunications and wood products. We need to move ahead now in construction services, autos and auto parts, semiconductors and other areas. We need to prove that our efforts under the Structural Impediments Initiative produce real results. After all, SII remains our best hope of fending off those who advocate managed trade between our nations.

Today, Mr. Prime Minister, let us reaffirm our commitment to tear down the walls to free and fair trade -- and build on the open exchange that helps both our nations. //

Our efforts to expand free trade have produced real results. In 1990, the U.S. trade deficit with Japan fell for the third straight year. American exports to Japan continued to rise -- up more than 75% since 1987. In fact, many Americans would be surprised to learn that Japan buys more goods from the U.S. per capita than we buy from Japan.

Mr. Prime Minister, together, our two nations account for 40 percent of the world's overall economic output. We share a special responsibility to maintain and strengthen the multi-lateral trading system. Japan and the U.S. are powerful forces for global prosperity. But we cannot promote continued growth in a world system where free market forces are in retreat. That is why the success of the Uruguay Round trade talks is critical. Along with other nations, Japan and the U.S. must assume strong leadership roles in knocking down barriers to free trade in all areas --including agriculture. And once again, I call on the U.S. Congress to take decisive action. Send a clear signal that America stands for free trade by extending Fast Track procedures.

Trade is just one dimension of our relationship. Last year, our two nations marked the 30th anniversary of our Mutual Security Treaty. Our commitment to common defense has never been stronger -- and yet here, too, our longstanding alliance continues to adjust to new challenges and new realities. Just

this January -- in keeping with its growing economic might -- Japan agreed to increase its share of the costs as host nation to American forces.

Let me be clear: The United States welcomes the broadest possible participation by Japan in world affairs. In the past year, we've seen a significant easing of tensions in Europe. I call on Japan to join with us in seeking solutions to regional conflicts that threaten stability in the Pacific. //

And I thank Japan as a key member of the coalition that triumphed over the forces of aggression in the Persian Gulf. For the first time, Japan contributed to a multinational peacekeeping effort -- and it is providing a substantial level of financial support for OPERATION DESERT STORM. //

Mr. Prime Minister, I welcome your visit. / We must do all we can to build public support for our relationship and to promote contacts of every kind between the American and Japanese people. Just this last year, your distinguished former Foreign Minister Abe announced the creation of a new foundation to promote exchanges that bring together academics and artists, that encourage tourism and travel. Contacts of this kind strengthen the ties between us -- not as two nations separated by a vast ocean, but as two peoples united by common interests and shared ideals.

For more than forty years Japan and the United States have been partners -- partners in democracy, partners in prosperity, partners in peace. // I am convinced that our meeting today

proves that this partnership remains strong -- that together we will constitute a source of stability, now and into the next century..

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McGroarty/Dooley  
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PRIME MINISTER KAIFU  
NEWPORT BEACH, CALIFORNIA  
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*March 3, 1990*  
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Our efforts to expand free trade have produced real results. In 1990, the U.S. trade deficit with Japan fell for the third straight year. American exports to Japan continued to rise -- up more than ~~70%~~<sup>75%</sup> since 1987.

USTR  
Lewis Cohen  
5071

Mr. Prime Minister, together, our two nations account for 40% of the world's overall economic output. We share a special responsibility to maintain and strengthen the multi-lateral trading system. Japan and the U.S. can be powerful forces for global prosperity. But we cannot promote continued growth in a world system where free market forces are in retreat. That is why the success of the Uruguay Round trade talks is critical. Along with other nations, Japan and the U.S. must continue to urge the elimination of counter-productive trade barriers in all areas --including agriculture. And once again, **I call on the U.S. Congress to take decisive action.** Send a clear signal that America stands for free trade by extending Fast Track <sup>Procedures</sup> ~~Authority.~~

USTR

X

Trade is just one dimension of our relationship. Last year, our two nations marked the 30th anniversary of our Mutual Security Treaty. Our commitment to common defense has never been stronger -- and yet here, too, our longstanding alliance continues to adjust to new challenges and new realities. Just this January -- in keeping with its growing economic might -- Japan agreed to increase its share of the costs as host nation to American forces.

Paal  
5744

Let me be clear: The United States welcomes the broadest possible participation by Japan **in world affairs.** In the past

year, we've seen a significant easing of tensions **in Europe**. I call on Japan to join with us in seeking solutions to regional conflicts that threaten stability **in the Pacific**. //

And I thank Japan as a key member of the coalition that triumphed over the forces of aggression in the Persian Gulf. For the first time, Japan took part in a multinational peacekeeping effort -- and provided a level of financial support to OPERATION DESERT STORM exceeded only by Saudi Arabia and Kuwait. //

Mr. Prime Minister, I welcome your visit. / We must do all we can to promote contacts of every kind between America and Japan -- exchanges that bring together academics and artists, that encourage tourism and travel. Contacts that strengthen the ties between us -- not as two nations separated by a vast ocean, but as two peoples united by common interests and shared ideals.

For more than forty years Japan and the United States have been partners -- **partners in democracy, partners in prosperity, partners in peace**. // I am convinced that our meeting today proves that this partnership remains strong -- that together we will constitute a source of stability, now and into the next century.

# # #

Doug Paal  
5-746

DRAFT PRESS STATEMENT BY THE PRESIDENT  
Following His Meeting with  
Japanese Prime Minister Toshiki Kaifu  
April 4, 1991  
Newport Beach, California

Just over a year ago, Prime Minister Kaifu and I met in Palm Springs to launch a process designed to achieve a breakthrough in our economic dealings and move the US-Japan relationship to a new era of global cooperation. Our two nations, which account for 40% of the world's economic output, have the resources and the talent to do enormous good for peace and development -- if we develop ways of coordinating our international efforts.

I said in Palm Springs -- and I know that the Prime Minister agrees with me -- that by working together, in partnership, the United States and Japan have the opportunity to lead not only our two peoples, but the whole world, into a new century of unprecedented security and economic progress. I said then, and I will repeat it now, that if we are to achieve the full promise of our relationship, our economic ties must rest on a solid foundation of (reciprocity and openness.) And we must ensure that there exists in both countries broad popular support for the relationship.

Over the past year, we have moved successfully to implement the vision that we outlined at Palm Springs. Let me now give you a brief report of the progress we have achieved during the past months:

-- In 1990 our trade deficit fell for the third straight year. U.S. exports to Japan -- our second best market -- also continued their upward climb. Since 1987 our exports to Japan have increased by over 70%. (In fact, most Americans will be surprised to learn that today Japan buys more products from us, per capita, than we buy from Japan.)

*export*

*use?*

-- We achieved a solid report last June in the Structural Impediments Initiative -- a broad-ranging set of discussions designed to deal with the fundamental domestic sources of tension in our economic relations. We established a follow-on mechanism for SII, and we resolved our outstanding Super-301 and other trade problems in a true spirit of cooperation.

*trade*

-- In June last year, we welcomed to Washington an outstanding Japanese statesman, former Foreign Minister Abe, to celebrate the 30th anniversary of our Mutual Security Treaty. That treaty has been -- and will continue to be -- the foundation of our relationship and the cornerstone of peace and prosperity throughout the Pacific region.

*Security*

-- When Mr. Abe visited Washington, he also announced the creation of a new \$350 million fund to promote greater educational and cultural interchange between the American and Japanese people and strengthen the "human side" of our relationship.

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0707  
-- We signed a new agreement in January of this year on host nation support that ensures the continued effectiveness of our defense cooperation. Japan, which now provides support at the level of \$60,000 per each U.S. serviceman stationed in the country, will increase this level of support to \$100,000 per serviceman. Over the next five years, it will provide as much as \$17 billion in support for our forces stationed in Japan.

-- And around the world, the United States and Japan have continued to work together, each bringing its own talents and strengths to our global partnership.

Desert Storm  
Indeed, Japan's steadfast political support and generous financial assistance to the multinational effort to liberate Kuwait and restore peace in the Gulf region must be clearly recognized. For the first time, Japan contributed to a multinational peacekeeping effort carried out under the resolutions of the UN Security Council, and Japan's level of support was exceeded only by the financial contributions of Saudi Arabia and Kuwait. Japan played -- and will continue to play -- an important role in the Gulf crisis, and I want everyone to know that we appreciate it.

\*\*\*

Today the Prime Minister and I have met in another beautiful city in California, on the shore of the peaceful ocean that unites our two countries. We came together in a spirit of reaffirmation.

As friends, allies, and partners, we have reaffirmed:

-- That we continue to recognize the vital importance of our two countries to each other, and the importance of our relationship to the world;

*repet.* -- That we will continue to work in a spirit of cooperation to strengthen and improve our economic relationship, enhance the effectiveness of world economic institutions, and promote global prosperity;

-- That we will work for the strongest possible public support for our relationship, and strengthen the "human side" of our ties through greater educational, cultural, and people-to-people exchanges;

*Security* -- That at a time of profound change in the world, our defense relationship is more important than ever to global security, and we shall steadfastly hold to it;

-- And that as two of the world's greatest democracies and economies -- with shared values and over four decades of trust and cooperation between us -- we will continue to work as partners around the globe.

sec. Let there be no doubt about it -- the United States welcomes and encourages the broadest possible participation by Japan in world affairs. Japan's active participation will contribute greatly -- indeed, it is essential -- to the New World Order that we are working to establish.

\*\*\*

Today the Prime Minister and I looked to the future, as we continue our progress on the road to building a global partnership. [Once again, we have our work cut out for us.]

✓ -- There is no more urgent task than ensuring the success of the Uruguay trade round. As the world's two largest trading nations, the United States and Japan have a special responsibility to maintain and strengthen the multilateral trading system. The United States remains committed to achieving an ambitious package of agreements in all areas, including agriculture. [And I call again on the Congress to approve my request for Fast Track Authority, so our negotiators can bring to the American people agreements that will strengthen our economic competitiveness and enhance the ability of US business and agriculture to thrive in the global marketplace.]

-- We must continue, in the "Spirit of Palm Springs", to resolve trade and investment problems in a spirit of cooperation. We are looking for progress in construction, semiconductors, and other areas, and we need to ensure that when our SII officials meet again in May, they produce another solid round of progress in achieving results in both countries.

*export*  
-- Together with American and Japanese business, we must continue our progress in reducing our trade deficit and increasing our exports to Japan. For our part, we are prepared to do so. This week, Secretary of Commerce Mosbacher is in Japan leading a mission of American CEO's from highly competitive American firms that are committed to success in the Japanese marketplace. And we will be increasing the staff of our Foreign Commercial Service in Japan by one-third, to provide even greater front-line support to our export efforts.

Continued US-Japan cooperation will also bring benefits to the rest of the world:

-- Let us continue to work together, with our other partners, to achieve a durable political settlement in Cambodia and reconciliation and growth for all the peoples of Indochina;

-- Let us continue to work together, and with our neighbors in the region, to build APEC as the forum for economic cooperation in the Asia-Pacific region;

-- Let us continue to work together to reduce in tensions in Asia and bring to the people of the region the same benefits that we have seen from the end of the Cold War in Europe. In this connection, let me say that we sincerely hope that President Gorbachev's visit to Japan this month will lead to an improvement in Japan's relationship with the Soviet Union.

-- Finally, let us continue to work together as partners around the world -- to secure a new era of peace, reconciliation and development in the Middle East, and to promote democracy and development in Latin America, Eastern Europe, Africa, and Asia.

\*\*\*

Toshiki, it is always good to see you. Last week, I took an early morning walk to view the cherry blossoms in Washington. To all Americans, those trees -- a gift from your country almost 80 years ago -- are an enduring symbol of the friendship between our two countries. But we also remember the frail and transient beauty of their blossoms, described in the Japanese poem: "Life is short, like the three-day glory of the cherry blossom." The relationship between our countries, however, must not be like those cherry blossoms, as beautiful as they may be. Ours is relationship that we must ensure endures as we approach the 21st century.

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\* text of poem for interpreter:

"Yo no naka wa

Mikka minu ma ni

Sakura kana"

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San Francisco. The  
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es Rams; entertainer  
or Chuck Norris.

**Statement by Press Secretary Fitzwater  
on the President's Meeting With Prime  
Minister Toshiki Kaifu of Japan in  
Palm Springs, California**  
*March 2, 1990*

The President and Prime Minister Kaifu met for approximately 1 hour this afternoon. Their meeting began with a brief one-on-one session, followed by a plenary. In their private session, the President and the Prime Minister took the opportunity to reaffirm the close and friendly bilateral relationship of the two countries, and the growing significance of their global partnership. The President congratulated the Prime Minister on his recent electoral victory. The President noted that the pillars of the relationship are the U.S.-Japanese security relationship, the global partnership, and the bilateral economic relationship.

The plenary session was devoted to a discussion of security issues of common concern. The President and the Prime Minister noted the mutual benefits that the security relationship brings to both countries and noted that it continues to be the best guarantee for stability and prosperity in the Pacific region. The President stated that the adjustments the United States is contemplating in its defense posture in the Pacific area will not affect either deterrence or stability, nor its commitment to its Asian allies. The two leaders discussed the issue of burden sharing, noting the need for suitable arrangements for balanced cost sharing. The President reaffirmed the United States support for the Northern Territories issue, and noted that Secretary Baker had raised the subject during his Moscow ministerial and that the U.S. would continue to raise the Territories with the Soviet Union.

The President emphasized that this summit should lay the conceptual framework through which the two countries could realize the full potential of the already close bilateral relationship. The Prime Minister stressed the importance to coordinate our policies and tackle the issues from the standpoint of mutual cooperation.

**Nomination of John C. Foltz To Be  
Administrator of the Federal Grain  
Inspection Service**  
*March 2, 1990*

The President today announced his intention to nominate John C. Foltz to be Administrator of the Federal Grain Inspection Service, Department of Agriculture. He would succeed W. Kirk Miller.

Since 1979 Mr. Foltz has served as executive director of the Ohio Grain and Feed Association in Worthington, OH. Prior to this he served as chief of the division of markets at the Ohio Department of Agriculture, 1977-1978; Assistant Administrator for Market Development at the Foreign Agricultural Service, 1976; Deputy Under Secretary for Legislative Affairs at the Department of Agriculture, 1973-1975; deputy director for agriculture for the Committee to Re-elect the President, 1972; Director of Congressional Relations for the Cost of Living Council in the Executive Office of the President, 1971; legislative assistant in the Office of the Secretary at the Department of Agriculture, 1969-1971; and staff member and manager of public relations for the Future Farmers of America, 1958-1968.

Mr. Foltz graduated from Ohio State University (B.S., 1955; M.S., 1971). He was born February 23, 1933, in West Lafayette, OH. Mr. Foltz served in the U.S. Navy, 1955-1957. Mr. Foltz is married, has two children, and resides in Worthington, OH.

**Remarks Following Discussions With  
Prime Minister Toshiki Kaifu of Japan  
in Palm Springs, California**  
*March 3, 1990*

*The President.* Well, I was very pleased to welcome my friend, the Prime Minister of Japan, here to Palm Springs for 2 days of very useful and far-reaching discussions about the critically important relationship between the United States and Japan. In the first instance, I wanted to see Prime Minister Kaifu again and extend personally my congratulations for his victory in the recent elections. I also want to express my

*Mar. 3 / Administration of George Bush, 1990*

very high regard and admiration for the outstanding leadership he has given his country and his party since he was propelled into office just 6 months ago. We first met last September, and in the intervening months we've seen some of the most momentous changes in recent world history. It is important that the leaders of the United States and Japan come together and review the entire scope of their relationship at this time of profound change in the world.

There are three things that are very clear to me: that our relationship with Japan will become even more important to us and to the world in the coming decades; that Japan is moving rapidly to assume a leading role in the world, as was evident in Prime Minister Kaifu's recent trip to Eastern Europe and the nearly \$2 billion in assistance that he pledged to the nations of Poland and Hungary; and that no matter where we look around the world—from Eastern Europe to Panama to Cambodia—the United States and Japan are working together to promote political and economic transformations that will strengthen democracies and market economies.

Our meetings these 2 days were not formal negotiations. This has been an opportunity to come together and take stock of the entire range of our dealings—from security, to economics and trade, to foreign policy—and to talk about where we're going, together, as we move toward the 21st century. We talked about how we can expand even further our global partnership. I believe that in the coming years we have a unique and challenging opportunity to expand even further our cooperation on international issues across the board; to strengthen the political "trialogue" among the United States, Japan, and our European allies; to expand our aid cooperation to embrace a larger effort aimed at promoting economic and social development in the Third World; and to think about how Japan can more fully play a leading role in the world's political and economic institutions.

We talked about developments of recent months in Europe and in U.S.-Soviet relationships. And I believe that we're agreed that our two countries must work closely together to promote the same kind of positive changes in Asia. I reaffirmed to Prime

Minister Kaifu, as did Secretary of Defense Cheney during that successful visit of his to Tokyo, that the United States is, and will remain, a Pacific power; that the United States attaches great importance—the greatest importance to its security and political alliance with Japan; and that our two countries must continue to strengthen our defense cooperation. At a time of great change in the world, our treaty of mutual cooperation and security has become even more important to ensuring continued peace and prosperity as democracy and free markets spread across Asia and the Pacific.

We also discussed our economic relationship—one of the most broad-ranging and complex set of commercial and financial interactions in the entire world. There are many economic areas in which we have close cooperation. I think of the Third World debt problems, economic policy coordination—collaborated there. And we reaffirm our commitment to that process, including cooperation in exchange markets. We must also remember that Japan is the second largest market in the world for our manufacturers, and the largest market in the world for our farmers. Our exports to Japan already total \$44 billion—only Canada buys more from us—and our exports to Japan are going up faster than our sales to the rest of the world. The Prime Minister and his government are very aware of the mood and concern in this country about the continuing impediments to further growth of our trade relationship. Even with that 18-percent growth in our exports to Japan last year, we still have a \$49 billion bilateral trade deficit. Make no mistake about it: I want to see that deficit come down, not by restricting our markets or managing trade but by further increasing our exports to Japan. And so, in the coming months, our common task must be to further open markets and expand trade.

In addition to increasing our exports to Japan, our other key task is to ensure the success of the Structural Impediments Initiative that we launched last summer. We're facing some important deadlines, and the Prime Minister and I are calling on our officials to redouble their efforts to achieve meaningful interim and final results. We must make the SII, the Structural Impedi-

Secretary of Defense  
successful visit of his to  
States is, and will  
; that the United  
importance—the  
s security and po-  
; and that our two  
to strengthen our  
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final results. We  
structural Impedi-

ments Initiative, and our other trade discus-  
sions a success. We must put our economic  
relationship on a solid foundation if we're to  
achieve the full promise of our relationship.  
We feel that we presented some valid ideas  
about removing structural impediments in  
Japan that will improve market access and  
reduce our trade imbalances, and we look  
forward to the Japanese response. But let's  
face it, these talks are a two-way street. We  
Americans must increase our savings,  
reduce our budget deficit, provide more in-  
centive for our investors, strengthen our  
educational system, focus on producing  
goods of the highest quality. So, our task is  
to make the American economy even  
stronger and even more competitive, and  
that is a task for America, not for Japan.

So, Mr. Prime Minister, I am delighted  
that we had this opportunity to discuss all  
these matters. I am confident that during  
our time here together, we have launched a  
process that will continue throughout 1990  
and the coming years—a process that will  
create a breakthrough relationship and lead  
to an era of even greater cooperation be-  
tween our two countries. Together, we  
must master our problems and expand our  
opportunities. By working together, in part-  
nership, the United States and Japan have  
the chance to lead not only our two peoples  
but the whole world into a new era of  
peace, freedom, and prosperity. So, Mr.  
Prime Minister—Toshiki, my friend, thank  
you for coming. And I wish you a safe jour-  
ney home. May you have great success in  
your efforts in the coming months. You  
have our full support.

*The Prime Minister.* George, thank you  
very much, first of all, for your warm re-  
marks. I would also, first of all, like to ex-  
press my appreciation for the heartwarming  
hospitality extended to me by you, George,  
and Mrs. Bush. I am particularly pleased to  
have had the opportunity to come together  
in scenic Palm Springs and to discuss issues  
at such length that our two countries face  
and that relate to peace and prosperity of  
the world.

My meeting with you was a meaningful  
opportunity to discuss coordination between  
Japan and the United States as we move  
into a new era of turbulent international  
situation in search of a new order based on  
freedom and democracy. I am fully satisfied

that I was able to share fundamental  
thoughts with you through in-depth ex-  
change of views. I value very highly the  
careful but bold initiatives taken by the  
President to foster desirable changes in the  
East-West relations and to promote arms  
control and disarmament negotiations. I am  
determined that Japan must share responsi-  
bility from the standpoint of its being one  
of the countries who are responsible for  
maintaining and strengthening international  
order.

During my recent visit to Europe, I have  
pledged in concrete terms support to the  
East European countries who are seeking to  
establish freedom and democracy and intro-  
duce market economies. On the German  
reunification issue, the President explained  
to me that he conveyed the U.S. position to  
the Federal Republic of Germany at the  
recent meeting between the President and  
Chancellor Kohl concerning the adherence  
of the unified Germany to NATO and the  
continued presence of U.S. forces on  
German soil. I expressed my appreciation  
for his explanation and expressed my admi-  
ration for the efforts by the President. The  
President and I exchanged views on the  
Asia-Pacific situation, and we shared the  
view that the diplomacy of new thinking of  
the Soviet Union needs to be actively ap-  
plied in this region as well, and that it is  
important for both Japan and the U.S. to  
endeavor together to ensure the political  
stability and economic prosperity of this  
region.

This year marks the 30th anniversary of  
the conclusion of the Japan-U.S. security  
treaty. Recognizing the roles played by the  
Japan-U.S. security arrangement for peace  
and stability of Japan as well as the Asia-  
Pacific region, I, together with the Presi-  
dent, confirmed the increasing importance  
of the treaty into the future. Furthermore,  
the President and I share the view that the  
Japan-U.S. security arrangements continue  
to be the important basis of Japan-U.S. co-  
operation in the search for peace through  
deterrence and dialog at the time of the  
evolution of the new international situation.  
I value the continued role of the United  
States in this vision as a Pacific power  
which is irreplaceable by any other country.  
I expressed to the President my determina-

tion to extend the cooperation required to secure the continued smooth operation of the Japan-U.S. security arrangements, including host nation support for U.S. forces in Japan.

With regard to Japan-U.S. economic relations, the President and I agreed to continuously enhance our relations with the understanding that the sound development of economic relations between our two countries is indispensable to the development of not only our economies but that of the world economy. Although negative aspects of the issues and problems in our bilateral economic relations tend to be emphasized, as the President said with profound insight, the two markets are extremely large for each of us and our economies are moving in the right directions, due to the adjustment efforts in the past several years. Both the U.S. budget deficit and Japan's current surplus are being reduced, and their ratios to GNP have been halved. However, the imbalances are still very large, and we should continue to work harder. The SII is extremely important to consolidate this positive trend. I am determined to firmly tackle structural reforms of Japan as one of the top priorities of my new Cabinet with a view to improving the quality of Japanese life with further stress on the consumer-oriented economy. I hope that the U.S., on its part, will promote structural adjustment as the President has just said. I told the President of my determination to maintain such policies as expansion of domestic demand, the improvement of market access, and deregulation.

The President and I agreed that both Japan and the U.S. will make the maximum efforts for the early solution of pending issues in the spirit of cooperation and joint efforts between our two countries. The President expressed that Japan and the U.S. have worked closely in dealing with debt problems and economic policy coordination and reaffirmed his commitment, including cooperation in exchange markets. The President's statement convinces me to make maximum efforts for Japan-U.S. cooperation in these areas, including in exchange markets. Having in mind that our solid bilateral relations are indispensable to the future stability and prosperity of the world, the President and I shared the rec-

ognition of the importance of consolidating our bilateral relations to be the constructive cooperation. In this context, we shared the recognition that it is important and necessary to further strengthen and expand the constructive relations in the 1990's, including educational and cultural exchanges, science and technology cooperation, and two-way technology transfers.

U.S.-Japan relations of today, transcending our bilateral framework, have acquired the significance of a global partnership with responsibilities for tasks facing the world. The President and I welcome that the Japan-U.S. global partnership is bearing specific fruit in such a broad range of fields as a response to regional problems, the management of world economy, economic cooperation for developing countries and debt problems, environment, drugs, and the fight against international terrorism. On the problem of drugs in particular, I highly appreciate the series of initiatives of the President and the courageous determination shown at the Cartagena drug summit. I expressed my determination to the President that Japan will actively participate in the international efforts to eradicate illicit drugs.

I conveyed my intention to the President to promptly implement concrete measures in support of the democratic government in Nicaragua and my belief that an early economic recovery is important for the stabilization of Panama. I expressed Japan's position that Japan would look into economic assistance for the reconstruction of the region as the peace process in Central America progresses. The development of the South Africa situation contains the possibility towards dismantling apartheid. The President and I agreed that Japan and the U.S. will continue to consult with each other on how to eliminate apartheid.

This year marks the final year of the Uruguay round. The President and I agreed that the successful conclusions of the negotiations is extremely important for the fight against protectionism and for the construction of the basis for the continued progress of the world economy as we move toward the 21st century. The President and I reaffirmed our convictions that we should closely cooperate for the success of the round.

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the region contains the possi-  
bility of apartheid. The  
fact that Japan and the  
United States consult with each  
other on apartheid.  
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guayan Round and I agreed  
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firm that we should close-  
ly cooperate in the process of the round.

Japan and the United States are faced with enormous challenges and opportunities in the strong current of history. Having in mind the significance of the Japan-U.S. partnership as a foundation for the stability of the world, I am fully determined to courageously pave the way, together with the President, toward the 21st century. Thank you.

Ladies and gentlemen, I understand that George will stay on here and have a most wonderful time answering your questions in a press conference. I, however, will have to leave this spot in order to return home in time to answer the questions that will be raised to me in the Diet, and also just in time to arrive in Tokyo before the night landing time limit arrives at 11 p.m. in Tokyo. Well, I hope that you will not call this night landing time limit another structural impediment.

*The President.* Thank you very much. That was a wonderful statement.

*Note: The President spoke at 1:10 p.m. at the Morningside Country Club. Prime Minister Kaifu spoke in Japanese, and his remarks were translated by an interpreter.*

### The President's News Conference Following Discussions With Prime Minister Toshiki Kaifu of Japan in Palm Springs, California

March 3, 1990

#### Japan-U.S. Trade

*Q.* Mr. President, are you satisfied that the Prime Minister has given a sufficient political commitment to break the impasse in trade talks? And did he offer any trade concessions?

*The President.* You heard his statement, which I thought was very good. And all I can tell you is we had perhaps the best opportunity that I've seen to have genuinely frank discussions. I met with him in a one-on-one yesterday, and then last night sat next to him at dinner. So, I had an opportunity to continue the business part of the discussion.

Then I heard this statement—we had our other talks, too, but I heard this statement today. And I'd say that the Japanese side knows how important it is to move forward, and clearly I have a renewed feeling of how important it is for us to do some of the things that they were talking about on this structural impediment side. So, I can't tell you in terms of a specific commodity or a specific date. But we were just talking here, and all of us are very pleased with the frankness as well as the spirit of cooperation that I think was reflected by the Prime Minister's statement.

*Q.* Do you think he went far enough, sir?

*The President.* Well, nobody ever goes far enough to do everything exactly the way we want it. But I think for those who understand the complexities of this relationship at this juncture, we got everything out of this meeting that we had hoped for. Obviously, we've got things to do, and clearly the Japanese side has things to do. I want to say something on that meeting, if I could. The fact that he came here now—finished a tough campaign, just given a big speech to the Diet; indeed, he gets home at 11 p.m. and has to go to answer questions in the Diet the very next morning—should be interpreted by Americans in this manner, that the Japanese feel this relationship is very important. And to the Japanese side, the fact that I invited him when I did should send a very important signal that we have this right up in the forefront of relationships that are critical. And I was very grateful that he accepted, in such short notice and in a complicated time frame, this invitation.

*Q.* How confident are you that he can produce—

*The President.* Well, he's just won a good victory there. He's solidified his party's position. He, himself, emerges as, I would say, a dynamic new leader. And so we will simply wait and see. But I wish him well.

#### Israeli-Palestinian Peace Talks

*Q.* Mr. President, there are reports out of Israel that [Prime Minister] Yitzhak Shamir is prepared to accept the U.S. formula for Israeli-Palestinian peace talks. Do you know anything about that, and if so, what shape will it take?