

but was embargoed for release until the broadcast.

Remarks Prior to Discussions With Prime Minister Yoshiro Mori of Japan
and an Exchange With Reporters
March 19, 2001

President Bush. It's my honor to welcome the Prime Minister of our close friend to the Oval Office. Mr. Prime Minister, welcome.

This meeting is an important meeting because it gives us both a chance to confirm the importance of our relationship. We view Japan as a very strong friend and ally, and that's the way it's going to be during my administration. And we've got such a good friendship and such a strong alliance that we're able to overcome occasional problems that might arise. We can do so in the spirit of friendship.

So I'm honored that the Prime Minister is here. We're going to have a—we'll discuss a lot of issues: We'll discuss our economies; we'll discuss trade; we'll discuss our alliance and how best to work together to keep the peace. I'm looking forward to a very fruitful and important discussion.

Mr. Prime Minister.

Prime Minister Mori. I have spoken to President Bush over the phone three times, but I am delighted today that I am able to have a face-to-face meeting with the President. In today's meeting, as the President just said, I would like to reaffirm the strong alliance between Japan and the United States and would like to discuss a very—a broad range of issues, including various issues in international affairs, and would like to set out the fundamental direction in which the Japan-U.S. alliance should head in the 21st century.

I would like to explain the various measures which our Government has taken so that the Japanese economy will have a fully sustainable economic growth. And I'd like

to express my strong determination to pursue necessary policies for that. I'd also like to express to the President my hope that United States will take appropriate macro-economic policies to deal with the U.S. economy that is slowing down.

Bank of Japan's Zero-Interest-Rate Policy

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

Prime Minister Mori. I, of course, will be explaining to the President the decision made by the Bank of Japan yesterday, and I sincerely hope that it will have—and I am certain that it will have a positive effect on our economy.

U.S. and Japanese Economies

Q. Mr. President, with both the Japanese and the American economies in such fragile states, could you explain how you see the interrelationship between the economies and what you'd like to see the Japanese Government do to address its problems and particularly in the financial sector?

President Bush. First, we've got to get our own economy growing the way I know it can. That's why I'm advocating tax relief and free trade regulatory relief. And I look forward to explaining to the Prime Minister that we do have a plan to give our economy a second wind. I'm very confident about our economy. I know it can beat expectations. I will explain that to him, as clearly as I can, about when our policies are in place, how optimistic I am about economic growth.

And secondly, I look forward to hearing Japan's view of reform, internal reform. I'm

confident that's going to be a large part of our discussions today.

The interrelationship between our two economies is important. When you combine our economies, we represent about 40 percent of the gross domestic products of all the nations added up. And that's a very important—and therefore, our economies are very important to the world. And the stronger we are, the more likely it is there

will be prosperity in other parts of the world. And so this is going to be a very important part of our discussion.

NOTE: The President spoke at 10:55 a.m. in the Oval Office at the White House. Prime Minister Mori spoke in Japanese, and his remarks were translated by an interpreter. A tape was not available for verification of the content of these remarks.

Joint Statement With Prime Minister Yoshiro Mori *March 19, 2001*

President George W. Bush and Prime Minister Yoshiro Mori today reaffirmed the strength of the bilateral relationship between their two countries. The two leaders expressed their conviction that the U.S.-Japan relationship is rooted in friendship, mutual trust, and shared democratic values. They also concurred that these solid ties enable the two countries to deal with problems, such as the regrettable Ehime Maru accident. They noted that the U.S.-Japan alliance is the foundation of peace and stability in the Asia-Pacific region. Agreeing that the U.S. presence remains vital to regional security, the leaders pledged to work together to further strengthen the alliance.

The two leaders, noting that the United States and Japan together account for roughly 40 percent of the world economy, reaffirmed the importance of working together to promote prosperity in their two countries and around the world. The leaders recognized the need to address the challenges facing their two economies. The Prime Minister reiterated his determination to continue pursuing appropriate economic policies and to promote vigorously structural and regulatory reform to revitalize the Japanese economy and strengthen the financial system, including through effectively addressing the issues of corporate debt and non-performing loans. The Presi-

dent reaffirmed the importance of taking appropriate policies to support sustainable growth in the United States, which will benefit both countries and the world economy. They agreed on the importance of promoting deregulation, restructuring, and foreign direct investment. They agreed to work together to seek new ways to enhance the U.S.-Japan dialogue to address global, regional, and bilateral economic and trade issues, and recognized that bringing views from outside the two governments into this effort would strengthen the bilateral relationship and improve economic performance in both countries. Both leaders also agreed to work together closely for the launch of a new WTO round this year.

President Bush and Prime Minister Mori recognized the growing threat from the proliferation of weapons of mass destruction and ballistic missiles. As part of a comprehensive strategy to meet such threats, they agreed on the importance of stepping up diplomatic efforts, including in the field of arms reduction. They also reaffirmed the need to take effective measures to address such threats, including defensive systems, strengthened proliferation controls, and counterproliferation measures. The two leaders noted with satisfaction that the United States and Japan are already conducting cooperative research on ballistic