

JAPAN SPEECH  
WALTER F. MONDALE  
FOR THE  
MINNESOTA TRADE OFFICE  
AND  
DORSEY & WHITNEY  
LAW FIRM  
MARCH 16, 1988

I AM PLEASED TO APPEAR BEFORE SUCH A DISTINGUISHED GROUP OF JAPANESE BUSINESS LEADERS. I AM ESPECIALLY PLEASED TO BE HERE ON BEHALF OF MINNESOTA, WHICH I SERVED FOR SO MANY YEARS IN PUBLIC LIFE.

*D+W*  
*Thank you for coming*  
*WOMURD*  
FORTY YEARS AGO, MINNESOTA'S ECONOMY WAS BASED LARGELY ON AGRICULTURE, AND WE REMAIN A VERY IMPORTANT AGRICULTURAL STATE. BUT MUCH HAS CHANGED SINCE THEN. WE ARE HERE TO DESCRIBE THE MODERN MINNESOTA -- A ~~MODERN~~ SOPHISTICATED, *and* ADVANCED ECONOMY, ~~WITH MANY ATTRACTIVE STRENGTHS.~~

*Minnesota  
Egg  
Farm.*

~~WE ALSO WANT TO LET YOU KNOW HOW MINNESOTA CAN ASSIST YOU.~~ MINNESOTA IS SENSITIVE TO THE NEEDS OF FOREIGN INVESTORS. ~~WE~~ WE OFFER A COMPREHENSIVE PROGRAM OF

SERVICES FOR YOU. ~~★~~ WE WANT TO  
BECOME YOUR LONG-TERM PARTNER.

ONE NEEDS SUCH PARTNERS  
IN BUSINESS TODAY. AS YOU ALL  
KNOW, TECHNOLOGY AND MODERN  
COMMUNICATION HAVE CRUMBLLED  
THE BARRIERS OF NATIONALITY  
AND LANGUAGE, GIVING RISE TO A  
COMPLEX GLOBAL ECONOMY. ~~AS~~  
~~THE PRESIDENT OF THE NEC~~  
~~CORPORATION PUT IT:~~ THE WORLD  
HAS ENTERED THE AGE OF "THE  
BORDERLESS ECONOMY."

~~NATIONAL ECONOMIES HAVE~~  
~~BECOME INTERDEPENDANT.~~ <sup>Recently</sup> THE  
LONDON AND TOKYO EXCHANGES  
FOUND NO ESCAPE FROM THE SHOCK  
WAVES OF THE <sup>Recent</sup> U.S. STOCK  
MARKETS CRASH. ~~LAST OCTOBER.~~  
IN THE AFTERMATH, AMERICANS  
AWAKENED ANXIOUSLY EACH  
MORNING TO HEAR ABOUT THE  
NIKKEI-DOW AS AN INDICATION OF  
WHAT THE U.S. MARKETS MIGHT DO  
THAT DAY.

NO DOUBT, YOU ARE  
PAINFULLY AWARE THESE DAYS OF  
THE TIES BETWEEN THE YEN AND  
THE DOLLAR.

*OR  
What  
you call*

JAPAN, OF COURSE, IS  
READILY ADAPTING TO THE GLOBAL  
ECONOMY. I UNDERSTAND THERE  
IS MUCH TALK IN YOUR COUNTRY  
TODAY ABOUT THE  
INTERNATIONALIZATION OF JAPAN.  
THE NUMBER OF YOUR PEOPLE  
LIVING OR VISITING FOREIGN  
LANDS HAS DOUBLED FROM *IN* 10  
YEARS AGO. YOUR INTERNATIONAL  
COMMUNICATIONS HAVE INCREASED  
FIVEFOLD; THE AMOUNT OF  
MANUFACTURING JAPAN DOES  
OUTSIDE ITS OWN BORDERS WILL  
DOUBLE BY 1990 TO EQUAL 8.7%  
OF YOUR GROSS NATIONAL  
PRODUCT.

IN THIS GLOBAL ECONOMY,  
NO TWO NATION'S HAVE BECOME  
MORE CLOSELY LINKED THAN THE  
UNITED STATES AND JAPAN.  
THERE IS NO PRECEDENT FOR OUR

## PARTNERSHIP.

WHILE WE HAVE ~~WIDELY~~ DIFFERENT HISTORICAL, CULTURAL AND LINGUISTIC ROOTS, YET, FROM THE ASHES OF A DISASTROUS CONFLICT, WE HAVE FORGED ONE OF THE MOST PRODUCTIVE BILATERAL RELATIONSHIPS THE WORLD HAS EVER KNOWN. OUR TWO COUNTRIES, ACCOUNT FOR ONE-THIRD OF THE WORLD'S GNP.

WE EXCHANGE \$100 BILLION WORTH OF GOODS A YEAR. BUT WE NOT ONLY DO BUSINESS ACROSS EACH OTHER'S BORDERS. WE DO BUSINESS WITHIN EACH OTHER'S BORDERS AS WELL. AMERICAN FIRMS ARE PRODUCING \$50 BILLION WORTH OF GOODS IN JAPAN. JAPANESE FIRMS NOW EMPLOY SOME 250,000 AMERICANS IN THE U.S.

IN FINANCE, NINETEEN U.S. WALL STREET FIRMS HAVE OFFICES IN TOKYO. AND JAPAN'S BIG

FOUR BROKERAGE HOUSES --  
INCLUDING NOMURA, OUR HOST  
TODAY -- REGULARLY SERVE U.S.  
CUSTOMERS. *Bellevue* THE MINNESOTA  
STATE PENSION FUND. ~~IS AMONG~~  
~~THEM.~~

*As you know*  
OUR TWO NATIONS ARE  
JOINING FORCES IN AN  
INCREASING  
NUMBER OF JOINT VENTURES. THE  
ENDEAVORS RANGE FROM AUTOS TO  
COMPUTERS TO ROBOTS. GENERAL  
MOTORS ~~HAS~~ <sup>LINKED</sup> ~~LINKED HANDS~~ WITH  
TOYOTA; CHRYSLER WITH  
MITSUBISHI, TOSHIBA HAS TEAMED  
UP WITH MOTOROLA. JUST A FEW  
WEEKS AGO BRIDGESTONE CORP. OF  
JAPAN BOUGHT A 75% STAKE IN  
THE FIRESTONE TIRE AND ~~RUBBER~~  
COMPANY, MAKING IT JAPAN'S  
LARGEST INVESTMENT. ~~IN AN~~  
~~AMERICAN~~ *U.S.* ~~MANUFACTURING~~  
~~CONCERN.~~

AS A FORMER MINISTER OF  
FOREIGN AFFAIRS HAS OBSERVED:  
JAPAN AND THE U.S. HAVE PASSED



THE STAGE OF INTERDEPENDENCE;  
OUR ECONOMICS ARE MOVING  
TOWARD INTEGRATION.

BUT A WORD OF CAUTION.  
NO OTHER NATION ALLOWS  
UNCONTROLLED FOREIGN  
INVESTMENT TO THE EXTENT THAT  
THE UNITED STATES DOES.  
FOREIGN INVESTMENT IN AMERICA  
TODAY IS ESTIMATED AT \$1.5  
TRILLION. DIRECT FOREIGN  
PURCHASES OF U.S. COMPANIES  
GREW BY MORE THAN 50% LAST  
YEAR ALONE.

THIS UNPRECEDENTED SURGE  
IS CREATING A BACKLASH. THERE  
ARE THOSE IN THE UNITED STATES  
WHO ARE CALLING FOR LAWS TO  
PUT CERTAIN TYPES OF FOREIGN  
INVESTMENTS THROUGH A REVIEW  
PROCESS. <sup>SOME</sup> AS YOU KNOW,  
SOME OF THE NOISE AND CLATTER  
IS OFTEN <sup>SEEMS</sup> AIMED DIRECTLY AT  
YOU. BUT THE ROOTS OF THESE  
CONCERNS ARE TO BE FOUND  
ELSEWHERE. THE U.S. ECONOMY

HAS GONE THROUGH WRENCHING  
CHANGES DURING THE 1980S.  
WHY? WE CREATED MASSIVE  
BUDGET DEFICITS AND A VASTLY  
OVER-VALUED DOLLAR WHICH  
DEVASTATED INDUSTRIAL AND  
RURAL AMERICA. WE MUST  
UNDERSTAND THAT DESPERATE  
PEOPLE WHO HAVE LOST THEIR  
FARMS, THEIR JOBS, OR THEIR  
BUSINESS OFTEN, AND  
UNDERSTANDABLY, SPEAK FROM  
DESPAIR, EVEN RAGE. THIS  
DEFICIT IS NOT YOUR FAULT. IN  
FACT YOU HAVE PLEADED WITH US  
TO REDUCE IT TO HEALTHY  
✓ PROPORTION.

BUT BECAUSE OUR ECONOMIES  
ARE SO INTEGRATED, AS FRIENDS,  
WE MUST FACE THESE SOMETIMES  
UNPLEASANT REALITIES TOGETHER.

NEVERTHELESS, I AM SURE  
OUR TIES WILL CONTINUE TO  
GROW. AND YOUR LINKS WITH  
AMERICA WILL NOT BE CONFINED  
JUST TO THE U.S. COASTS.



*Consider Minnesota*

YOU HAVE ALREADY COME TO  
REALIZE THE STRENGTH OF  
AMERICA'S HEARTLAND. SOME 700  
JAPANESE FIRMS HAVE OFFICES IN  
THE MIDWEST. AND FOR GOOD  
REASON. THE REGION OFFERS  
PROXIMITY TO ROUGHLY 65% OF  
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I AM PLEASED TO SAY THAT  
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CLOSE AND LONG-ESTABLISHED  
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YA-MA-TA-KE--HONEYWELL HAVE  
BEEN SHOW-CASES OF SUCCESSFUL  
U.S.-JAPAN BUSINESS  
COOPERATION.

JAPANESE AND MINNESOTA FIRMS CONTINUE TO SPAWN SUCH EFFORTS. JUST LAST MONTH, A MINNESOTA FIRM, GNB INC., AND JAPAN STORAGE BATTERY AGREED TO MAKE STORAGE BATTERIES IN THE U.S. NEC HAS JOINED WITH HONEYWELL TO SELL SUPER-COMPUTERS ~~IN THE U.S.~~ [LAST YEAR, NEC INVESTED IN A THREE-WAY PARTNERSHIP TO OPERATE HONEYWELL'S FORMER COMPUTER MANUFACTURING BUSINESS.]

MINNESOTA COMPANIES CONTINUE TO BE ACTIVE IN JAPAN AS WELL. TWENTY-FIVE MINNESOTA FIRMS HAVE OFFICES BASED IN TOKYO. A NUMBER OF THEM WILL BE REPRESENTED AT OUR RECEPTION.

JAPAN HAS A DIRECT PRESENCE IN MINNESOTA TOO. TWENTY JAPANESE FIRMS, COVERING A VARIETY OF INDUSTRIES AND SERVICES, HAVE LOCATED IN MINNESOTA.

--KAH-JI-MA CONSTRUCTION IS A FIRM THAT MY FRIEND AND MENTOR, FORMER MINNESOTA SENATOR AND U.S. VICE PRESIDENT HUBERT HUMPHREY, HAD A KEY ROLE IN BRINGING TO MINNESOTA. KAH-JI-MA HAS BEEN WORKING IN PARTNERSHIP WITH THE CITY OF MINNEAPOLIS TO DEVELOP A STRETCH OF CITY LAND ALONG THE HISTORIC MISSISSIPPI RIVER.

--COPAL SYSTEMS IS THE LARGEST JAPANESE EMPLOYER IN MINNESOTA. THE FIRM MAKES ONE-HOUR PHOTO PROCESSING MACHINES. IT HOLDS 25 PER CENT OF THE U.S. MARKET ~~FOR SUCH EQUIPMENT~~. LATER IN THE PROGRAM, MR. SHE-MAH-MURA OF COPAL WILL TELL YOU ABOUT HIS SUCCESSFUL RELATIONSHIP WITH MINNESOTA AND ITS WORK FORCE.

--PENTAX OPHTHALMIC, A DIVISION OF ASAHI OPTICAL,

PRODUCES SPECIAL COATINGS FOR EYEGLASSES AND OPTICAL PIECES IN MINNESOTA. IT SELECTED MINNESOTA BECAUSE OUR STATE IS A LEADER IN THE U.S. OPTICS MARKET. [THREE OF THE TOP FIVE U.S. OPTICS FIRMS ARE LOCATED IN THE STATE.]

-- MITSUBISHI INTERNATIONAL, OPENED AN OFFICE IN MINNEAPOLIS IN 1984 TO CAPITALIZE ON THE HIGH-TECH INDUSTRY IN MINNESOTA.

MINNESOTA AND JAPAN HAVE HAD AN ACTIVE TRADING RELATIONSHIP TOO. IN FACT, EVEN THOUGH IT BORDERS CANADA, MINNESOTA EXPORTS MORE TO JAPAN THAN TO CANADA. YOUR NATION ACCOUNTED FOR 11% OF MINNESOTA'S EXPORT TRADE LAST YEAR.

MINNESOTA'S ROLE IN INTERNATIONAL BUSINESS IS NOT A RECENT ONE. FOR YEARS

MINNESOTA HAS BEEN A MAJOR  
PLAYER IN THE INTERNATIONAL  
ECONOMY.

OUR STATE HAS EMERGED AS  
A WORLD LEADER IN ELECTRONICS,  
MEDICAL TECHNOLOGY, ~~AND~~ FOOD  
PROCESSING AND AGRICULTURE.  
MINNESOTA COMPANIES HAVE  
SPAWNED SOME OF THE MOST  
SIGNIFICANT INNOVATIONS OF  
THIS CENTURY, INCLUDING SCOTCH  
TAPE, CARDIAC PACEMAKERS AND  
SUPERCOMPUTERS.

~~IN FACT~~, WE ARE A MAJOR  
NATIONAL AND INTERNATIONAL  
COMMERCE, BANKING, FINANCE,  
MINING AND INSURANCE CENTER.  
THE HEADQUARTERS OF ~~SUCH MAJOR~~  
~~BUSINESSES AS~~ CARGILL, CONTROL  
DATA, ECOLAB, GENERAL MILLS,  
HONEYWELL, MEDTRONICS, 3M  
COMPANY, PILLSBURY, SUPER  
VALUE, TONKA TOYS, THE NORWEST  
AND FIRST BANK SYSTEMS AND THE  
9TH DISTRICT FEDERAL RESERVES  
HEADQUARTERS ARE IN MINNESOTA.



WE ARE A WORLD FAMOUS  
MEDICAL CENTER, INCLUDING THE  
SUPERB UNIVERSITY OF MINNESOTA  
MEDICAL SCHOOL AND THE MAYO  
CLINIC.

THIS DIVERSITY AND  
WORLDWIDE REACH HAS MADE  
MINNESOTA'S ECONOMY ONE OF THE  
MOST IMPORTANT IN OUR COUNTRY.  
FOR YEARS NOW, OUR  
UNEMPLOYMENT RATE HAS BEEN  
BELOW THE U.S. AVERAGE.

OUR FLOURISHING ECONOMY HAS  
BEEN NO ACCIDENT. MINNESOTA  
HAS LONG MADE EDUCATION ONE OF  
ITS FOREMOST PRIORITIES. OUR  
UNIVERSITY OF MINNESOTA WAS  
FOUNDED SEVEN YEARS BEFORE  
MINNESOTA BECAME A STATE!  
TODAY THE UNIVERSITY HAS ONE  
OF THE NATION'S MOST HIGHLY  
RATED ENGINEERING, LAW AND  
MEDICAL SCHOOLS. IN FACT, ITS  
GRADUATE SCHOOLS ARE SUPERB  
ACROSS THE BOARD.



THE STATE HAS 173 OTHER  
INSTITUTIONS OF HIGHER  
LEARNING, BOTH PUBLIC AND  
PRIVATE. ONLY ONE OTHER STATE  
SUPPORTS EDUCATION MORE THAN  
✓ MINNESOTA DOES. NINETY PER  
CENT OF OUR PUPILS GRADUATE  
FROM HIGH SCHOOL, MORE THAN IN  
ANY OTHER STATE IN THE NATION.

ITS EDUCATIONAL SYSTEM IS  
BUT ONE PART OF A WELL-  
DEVELOPED INFRASTRUCTURE. WE  
HAVE SUPERB RAIL AND HIGHWAY  
CONNECTIONS. WE ARE HOME TO  
NORTHWEST AIRLINES, WHICH  
PROVIDES MORE FLIGHTS TO THE  
FAR EAST THAN ANY OTHER  
CARRIER AND FLIES NON-STOP TO  
TOKYO AND MANY OTHER ASIAN  
CITIES.

SOME OF MINNESOTA'S  
FOREMOST QUALITIES CAN'T BE  
SEEN OR TOUCHED.

THE STATE HAS CARVED OUT  
A NATIONAL REPUTATION FOR

INVENTION, INNOVATION AND  
ENTERPRENEURIALISM. WE'VE  
AMASSED MORE PATENTS PER  
RESIDENT THAN ALL BUT FIVE  
OTHER STATES. MINNESOTA  
INDUSTRY DEVOTES 2.5% OF ITS  
GROSS STATE PRODUCT TO  
RESEARCH AND DEVELOPMENT, ONE  
OF THE NATION'S HIGHEST  
LEVELS. THERE ARE MORE THAN  
1,800 HIGH TECHNOLOGY FIRMS IN  
MINNESOTA.

IN FACT, FOR ITS SIZE,  
MINNESOTA HAS MORE HIGH-GROWTH  
STARTUP COMPANIES THAN ANY  
OTHER STATE.

THE STATE HAS GIVEN RISE  
TO A NUMBER OF INTERNATIONALLY  
KNOWN ENTERPRENEURS. THEY  
HAVE SPAWNED A STEADY STREAM  
OF IDEAS, PRODUCTS AND  
BUSINESSES.

OUR ESTABLISHED  
CORPORATIONS ENCOURAGE  
INNOVATION. 3M EMPLOYEES ARE

PERMITTED TO SPEND 15 PER CENT  
OF THEIR COMPANY TIME ON  
PROJECTS OF THEIR OWN  
CHOOSING. THAT IS HOW THE  
COMPANY DEVELOPED POST-IT  
NOTES, USED IN OFFICES  
THROUGHOUT THE WORLD.

MINNESOTA COUNTS  
COMMITTED CIVIC LEADERSHIP  
AMONG ITS VIRTUES TOO.  
BUSINESS EXECUTIVES TAKE AN  
ACTIVE ROLE IN SHAPING  
MINNESOTA'S FUTURE. THEIR  
APPROACH HAS BEEN ONE OF  
COOPERATION, NOT  
CONFRONTATION.

AN ORGANIZATION CALLED  
MINNESOTA WELLSPRING, FOR  
EXAMPLE, WAS FORMED BY  
BUSINESS AND LABOR TO JOINTLY  
ADDRESS CONCERNS ABOUT THE  
STATE'S ECONOMIC FUTURE.

MINNESOTANS ARE PROUD OF  
THE HIGH QUALITY OF LIFE THEY  
HAVE. THEY ENJOY RECREATIONAL

AND CULTURAL AMENITIES FAR BEYOND THOSE IN STATES OF SIMILAR SIZE. CORPORATE RECRUITERS ARE FOND OF SAYING THAT OUR WINTERS SOMETIMES MAKE PEOPLE RELUCTANT TO MOVE INTO MINNESOTA. BUT ONCE PEOPLE GET TO MINNESOTA IT'S VIRTUALLY IMPOSSIBLE TO GET THEM TO LEAVE AGAIN. WE HAVE MAJOR LEAGUE HOCKEY (NORTH STARS), SOCCER (KICKS), FOOTBALL (VIKINGS), AND OUR MINNESOTA TWINS WERE THIS YEAR'S WORLD SERIES BASEBALL WINNERS. WE BOAST WORLD CLASS MUSEUMS, (THE MINNEAPOLIS INSTITUTE OF ARTS AND THE WALKER ART GALLERY), ORCHESTRAS (THE MINNESOTA AND ST. PAUL CHAMBER ORCHESTRAS) AND THEATRES (THE GUTHRIE THEATRE AND A BROAD RANGE OF OTHER THEATRES). OUR OUTDOOR RECREATION OFFERINGS ARE BROAD AND MAGNIFICENT.

MINNESOTANS FEEL AN  
AFFINITY FOR CITIZENS OF YOUR  
NATION. WE SHARE MANY OF THE  
SAME BASIC VALUES == HARD  
WORK, A DECENT REGARD FOR  
OTHERS, A DEDICATION TO  
QUALITY, HONESTY AND A  
WILLINGNESS TO INVEST FOR THE  
LONG-TERM.

*Want to Help*  
THE SPEAKERS WHO FOLLOW  
ME WILL ELABORATE ON MANY OF  
THE GOOD THINGS I HAVE TOUCHED  
UPON. WE BELIEVE WE HAVE THE  
INFORMATION TO HELP YOU MAKE  
IMPORTANT LONG-TERM DECISIONS.  
WE HOPE WE HAVE SHOWN YOU THAT  
OUR MINNESOTA IS A VERY  
SPECIAL PLACE -- WITH MANY  
OPPORTUNITIES FOR YOUR  
PROSPERITY. WE WELCOME YOU.

THANK YOU.

JAPAN SPEECH  
WALTER F. MONDALE  
FOR THE  
MINNESOTA TRADE OFFICE

I AM PLEASED TO APPEAR BEFORE SUCH A DISTINGUISHED GROUP OF JAPANESE BUSINESS LEADERS. I AM ESPECIALLY PLEASED TO BE HERE ON BEHALF OF MINNESOTA, WHICH I SERVED FOR SO MANY YEARS IN PUBLIC LIFE.

I AM AWARE THAT NOT ENOUGH IS KNOWN ABOUT MINNESOTA IN JAPAN. IN FACT, I AM TOLD THAT MANY JAPANESE ARE FAMILIAR WITH THE NAME OF MINNESOTA ONLY BECAUSE OF A SONG ENTITLED "MINNESOTA TA-MA-GO UR-IE." I BELIEVE THAT TRANSLATES INTO "THE MINNESOTA EGG SELLER." MY JAPANESE FRIENDS SAY THIS SONG WAS POPULAR IN THE LATE 40S AND EARLY 50S. AND IT PORTRAYED MINNESOTA AS A TYPICAL FARM PLACE.

FORTY YEARS AGO, MINNESOTA'S ECONOMY WAS BASED LARGELY ON AGRICULTURE. WE REMAIN A VERY IMPORTANT AGRICULTURAL STATE. BUT MUCH HAS CHANGED SINCE THEN. WE ARE HERE TO DESCRIBE THE MODERN MINNESOTA -- A SOPHISTICATED STATE, A WORLD LEADER IN HIGH TECHNOLOGY, WITH MANY STRENGTHS AS A PLACE FOR YOU TO DO BUSINESS.



WE ALSO WANT TO LET YOU KNOW HOW MINNESOTA CAN ASSIST YOU. MINNESOTA IS SENSITIVE TO THE NEEDS OF FOREIGN INVESTORS. WE OFFER A COMPREHENSIVE PROGRAM OF SERVICES TO FOREIGN INVESTORS. WE WANT TO BECOME YOUR LONG-TERM PARTNER.

AND ONE NEEDS SUCH PARTNERS IN BUSINESS TODAY. AS YOU ALL KNOW, TECHNOLOGY AND MODERN COMMUNICATION HAVE CRUMBLED THE BARRIERS OF NATIONALITY AND LANGUAGE, GIVING RISE TO A COMPLEX GLOBAL ECONOMY. AS TA-DA-HI-RO SAY-KI-MOTO, THE PRESIDENT OF NEC CORPORATION, PUTS IT: THE WORLD HAS ENTERED THE AGE "THE BORDERLESS ECONOMY."

NATIONAL ECONOMIES HAVE BECOME INTERDEPENDENT. THE LONDON AND TOKYO EXCHANGES FOUND NO ESCAPE FROM THE SHOCK WAVES OF THE U.S. STOCK MARKET'S CRASH LAST OCTOBER. IN THE AFTERMATH, AMERICANS AWAKENED ANXIOUS TO HEAR ABOUT THE NIKKEI-DOW AS AN INDICATION OF WHAT THE U.S. MARKETS MIGHT DO THAT DAY.

YOU ARE PAINFULLY AWARE THESE DAYS OF THE TIES BETWEEN THE YEN AND THE DOLLAR.

JAPAN, OF COURSE, IS READILY ADAPTING TO THE GLOBAL ECONOMY. I UNDERSTAND THERE IS MUCH TALK IN YOUR COUNTRY TODAY ABOUT KO-KU-SIGH-KA -- THE INTERNATIONALIZATION OF JAPAN. THE SIGNS OF KO-KU-SIGH-KA ABOUND. THE NUMBER OF YOUR PEOPLE LIVING OR VISITING FOREIGN LANDS HAS DOUBLED FROM 10 YEARS AGO. YOUR INTERNATIONAL COMMUNICATIONS HAVE INCREASED FIVEFOLD. THE AMOUNT OF MANUFACTURING JAPAN DOES OUTSIDE ITS OWN BORDERS WILL DOUBLE BY 1990 TO EQUAL 8.7% OF YOUR GROSS NATIONAL PRODUCT.

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IN FINANCE, NINETEEN U.S. WALL STREET FIRMS HAVE OFFICES HERE IN TOKYO. AND JAPAN'S BIG FOUR BROKERAGE HOUSES -- INCLUDING NOMURA, OUR HOST TODAY -- REGULARLY SERVE U.S. CUSTOMERS. THE MINNESOTA STATE PENSION FUND IS AMONG THEM.

OUR TWO NATION'S ARE JOINING FORCES IN AN INCREASING NUMBER OF JOINT VENTURES. THE ENDEAVORS RANGE FROM AUTOS TO COMPUTERS TO ROBOTS. GENERAL MOTORS HAS LINKED HANDS WITH TOYOTA. TOSHIBA HAS TEAMED UP WITH MOTOROLA. JUST A FEW WEEKS AGO BRIDGESTONE CORP. OF JAPAN BOUGHT A 75% STAKE IN THE TIRE-MAKING OPERATIONS OF THE FIRESTONE TIRE AND RUBBER COMPANY. IT MARKED JAPAN'S LARGEST INVESTMENT EVER IN AN AMERICAN MANUFACTURING CONCERN.

AS YOUR FORMER MINISTER OF FOREIGN AFFAIRS, TAH-DAH-SHI KUR-A-NARI, HAS OBSERVED: JAPAN AND THE U.S. HAVE PASSED THE STAGE OF INTERDEPENDENCE. OUR ECONOMIES ARE MOVING TOWARD INTEGRATION.

BUT A WORD OF CAUTION. NO OTHER NATION ALLOWS UNCONTROLLED FOREIGN INVESTMENT TO THE EXTENT THAT THE UNITED STATES DOES. FOREIGN INVESTMENT IN AMERICA TODAY IS ESTIMATED AT \$1.5 TRILLION. DIRECT FOREIGN PURCHASES OF U.S. COMPANIES GREW BY MORE THAN 50% LAST YEAR ALONE.

THIS UNPRECEDENTED SURGE IS CREATING A BACKLASH. THERE ARE THOSE IN THE UNITED STATES WHO ARE CALLING FOR LAWS TO PUT CERTAIN TYPES OF FOREIGN INVESTMENTS THROUGH A REVIEW PROCESS. BUT YOU MUST BE AWARE OF THE BACKGROUND FROM WHICH SUCH REACTIONS ARISE.

AS YOU KNOW, MUCH OF THE NOISE AND CLATTER IS OFTEN AIMED DIRECTLY AT YOU AS A FOREIGN NATION. BUT THE ROOTS OF THESE CONCERNS ARE TO BE FOUND ELSEWHERE. THE U.S. ECONOMY HAS GONE THROUGH WRENCHING CHANGES DURING THE 1980S. WE MUST UNDERSTAND THAT DESPERATE PEOPLE WHO HAVE LOST THEIR FARMS, THEIR FACTORY JOBS, OR THEIR BUSINESSES OFTEN, AND UNDERSTANDABLY, SPEAK FROM DESPAIR, EVEN RAGE. THIS IS NOT YOUR FAULT.

BUT BECAUSE OUR ECONOMIES ARE SO INTEGRATED, WE WILL HAVE TO FACE THESE SOMETIMES UNPLEASANT REALITIES TOGETHER, AND AS CLOSE FRIENDS.

NEVERTHELESS, THE FORCES THAT CREATED THE GLOBAL ECONOMY WILL PREVAIL. OUR TIES WILL CONTINUE TO GROW. AND YOUR LINKS WITH AMERICA WILL NOT BE JUST AT THE U.S. COASTS.

YOU HAVE ALREADY COME TO REALIZE THE STRENGTHS OF AMERICA'S HEARTLAND. SOME 700 JAPANESE FIRMS HAVE OFFICES IN THE MIDWEST. AND FOR GOOD REASON. THE REGION OFFERS PROXIMITY TO ROUGHLY 65% OF AMERICA'S POPULATION AND MANUFACTURING BASE. AND NOW ITS SIZABLE MANUFACTURING AND AGRICULTURAL SECTORS ARE STAGING A COMEBACK.

I AM PLEASED TO SAY THAT JAPAN AND MINNESOTA HAVE MANY CLOSE AND LONG-ESTABLISHED BONDS AS WELL. 3M COMPANY AND HONEYWELL, TWO MINNESOTA TECHNOLOGICAL GIANTS, WERE AMONG THE FIRST U.S. FIRMS TO ESTABLISH JAPANESE JOINT VENTURES. 3M--SU-MI-TO-MO AND YA-MA-TA-KE--HONEYWELL HAVE BEEN SHOWCASES OF SUCCESSFUL U.S.-JAPAN BUSINESS COOPERATION.

JAPANESE AND MINNESOTA FIRMS CONTINUE TO SPAWN SUCH EFFORTS. JUST LAST MONTH, A MINNESOTA FIRM, GNB INC., AND JAPAN STORAGE BATTERY AGREED TO MAKE STORAGE BATTERIES IN THE U.S. NEC HAS JOINED WITH HONEYWELL TO SELL SUPER-COMPUTERS IN THE U.S. LAST YEAR, NEC INVESTED IN A THREE-WAY PARTNERSHIP TO OPERATE HONEYWELL'S FORMER COMPUTER MANUFACTURING BUSINESS.

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-- COPAL SYSTEMS IS THE LARGEST JAPANESE EMPLOYER IN MINNESOTA. THE FIRM MAKES ONE-HOUR PHOTO PROCESSING MACHINES. IT HOLDS 25 PER CENT OF THE U.S. MARKET FOR SUCH EQUIPMENT. LATER IN THE PROGRAM, MR. SHE-MAH-MURA OF COPAL WILL TELL YOU ABOUT HIS SUCCESSFUL RELATIONSHIP WITH MINNESOTA AND ITS WORK FORCE.



-- PENTAX OPHTHALMIC, A DIVISION OF ASAHI OPTICAL IN TOKYO, PRODUCES SPECIAL COATINGS FOR EYEGLASSES AND OPTICAL PIECES AT A SUCCESSFUL MANUFACTURING FACILITY IN MINNESOTA. IT SELECTED MINNESOTA BECAUSE THE STATE IS A LEADER IN THE U.S. OPTICS MARKET. THREE OF THE TOP FIVE U.S. OPTICS FIRMS ARE LOCATED IN THE STATE.

-- MITSUBISHI INTERNATIONAL, ONE OF THE LARGEST TRADING COMPANIES IN THE WORLD, OPENED AN OFFICE IN MINNEAPOLIS IN 1984 TO CAPITALIZE ON THE HIGH-TECH INDUSTRY IN MINNESOTA.

MINNESOTA AND JAPAN HAVE HAD AN ACTIVE TRADING RELATIONSHIP TOO. EVEN THOUGH IT BORDERS CANADA, MINNESOTA EXPORTS MORE TO JAPAN THAN TO CANADA. YOUR NATION ACCOUNTED FOR 11% OF MINNESOTA'S EXPORT TRADE LAST YEAR.

MINNESOTA'S ROLE IN INTERNATIONAL BUSINESS IS NOT A RECENT ONE. EVEN WHEN ITS ECONOMY DEPENDED MOST HEAVILY ON FARMING, MINNESOTA WAS A MAJOR PLAYER IN INTERNATIONAL TRADE AS HOME TO ONE OF THE WORLD'S BIGGEST GRAIN MERCHANTS.

MINNESOTA'S ECONOMY HAS BECOME MUCH MORE DIVERSIFIED SINCE THEN. IT HAS GIVEN BIRTH TO A MULTITUDE OF INTERNATIONAL COMPANIES. THE STATE HAS EMERGED AS A WORLD LEADER IN ELECTRONICS, MEDICAL TECHNOLOGY AND FOOD PROCESSING. MINNESOTA COMPANIES HAVE SPAWNED SOME OF THE MOST SIGNIFICANT INNOVATIONS OF THIS CENTURY, INCLUDING SCOTCH TAPE, CARDIAC PACEMAKERS AND SUPERCOMPUTERS.


THIS DIVERSITY AND WORLDWIDE REACH HAS MADE MINNESOTA'S ECONOMY ONE OF THE MOST IMPORTANT IN OUR COUNTRY. FOR YEARS NOW, ITS UNEMPLOYMENT RATE HAS BEEN BELOW THE U.S. AVERAGE.

OUR FLOURISHING ECONOMY HAS BEEN NO ACCIDENT. IT HAS BEEN THE RESULT OF SEVERAL FUNDAMENTAL VIRTUES POSSESSED BY THE STATE.

MINNESOTA HAS LONG MADE EDUCATION ONE OF ITS FOREMOST PRIORITIES. OUR UNIVERSITY OF MINNESOTA WAS FOUNDED SEVEN YEARS BEFORE MINNESOTA BECAME A STATE IN 1858. TODAY THE UNIVERSITY HAS ONE OF THE NATION'S MOST HIGHLY RATED ENGINEERING SCHOOLS. ITS LAW AND MEDICAL SCHOOLS ARE ALSO WELL KNOWN AND HIGHLY RESPECTED.

THE STATE HAS 173 OTHER INSTITUTIONS OF HIGHER LEARNING. AND AN IMPRESSIVE 63% OF THE STATE'S HIGH SCHOOL GRADUATES GO ON TO ATTEND THEM. ONLY ONE OTHER STATE SPENDS MORE ON EDUCATION FOR EACH ONE OF ITS CITIZENS THAN MINNESOTA DOES. NINETY PER CENT OF ITS PUPILS GRADUATE FROM HIGH SCHOOL, MORE THAN IN ANY OTHER STATE IN THE NATION.

ITS EDUCATIONAL SYSTEM IS BUT ONE PART OF A WELL-DEVELOPED INFRASTRUCTURE THAT THE STATE OFFERS YOU. IT HAS SUPERB RAIL AND HIGHWAY CONNECTIONS. IT IS HOME TO NORTHWEST AIRLINES, WHICH PROVIDES MORE FLIGHTS TO THE FAR EAST THAN ANY OTHER CARRIER.

 PUBLIC FUNDS ARE SPENT WISELY. THEY HAVE BEEN SPENT ON RELIABLE GOVERNMENT SERVICES. THEY HAVE BEEN USED TO ASSUAGE SOCIAL PROBLEMS TO GIVE ITS CITIZENS A HAPPIER AND HEALTHIER LIFE. PERHAPS THAT IS ONE REASON WHY PRODUCTIVITY IN MINNESOTA IS 10% ABOVE THE NATIONAL AVERAGE.

BUT SOME OF MINNESOTA'S FOREMOST QUALITIES CAN'T BEEN SEEN OR TOUCHED.

THE STATE HAS CARVED OUT A NATIONAL REPUTATION FOR INVENTION, INNOVATION AND ENTREPRENEURIALISM. WE'VE AMASSED MORE PATENTS PER RESIDENT THAN ALL BUT FIVE OTHER STATES. MINNESOTA INDUSTRY DEVOTES 2.5% OF ITS GROSS STATE PRODUCT TO RESARCH AND DEVELOPMENT, ONE OF THE NATION'S HIGHEST LEVELS. THERE ARE MORE THAN 1,800 HIGH TECHNOLOGY FIRMS IN MINNESOTA.

IN FACT, FOR ITS SIZE, MINNESOTA HAS MORE HIGH-GROWTH STARTUP COMPANIES THAN ANY OTHER STATE.

THE STATE HAS GIVEN RISE TO A NUMBER OF INTERNATIONALLY KNOWN ENTREPRENEURS. THEY HAVE SPAWNED A STEADY OF STREAM OF IDEAS, PRODUCTS AND BUSINESSES. MANY HAVE FOUND A PLACE IN WORLD MARKETS.

EVEN ESTABLISHED CORPORATIONS ENCOURAGE INNOVATION. 3M EMPLOYEES ARE PERMITTED TO SPEND 15 PER CENT OF THEIR COMPANY TIME ON PROJECTS OF THEIR OWN CHOOSING. THAT IS HOW THE COMPANY DEVELOPED POST-IT NOTES, A HIGHLY POPULAR PRODUCT USED IN OFFICES THROUGHOUT THE WORLD.

MINNESOTA COUNTS COMMITTED CIVIC LEADERSHIP AMONG ITS VIRTUES TOO. BUSINESS EXECUTIVES TAKE AN ACTIVE ROLE IN SHAPING MINNESOTA'S FUTURE. THEIR APPROACH HAS BEEN ONE OF COOPERATION, NOT CONFRONTATION.

AN ORGANIZATION CALLED MINNESOTA WELLSRING, FOR EXAMPLE, WAS FORMED BY BUSINESS AND LABOR TO JOINTLY ADDRESS CONCERNS ABOUT THE STATE'S ECONOMIC FUTURE.

MINNESOTA COMPANIES HAVE BACKED THEIR INVOLVEMENT WITH FINANCIAL COMMITMENT. THEY HAVE FORMED A GROUP NAMED THE FIVE PER CENT CLUB. MEMBER COMPANIES CONTRIBUTE FIVE PER CENT OF THEIR PRE-TAX PROFITS FOR COMMUNITY OR CHARITABLE PURPOSES.

THANKS TO SUCH EFFORTS, MINNESOTANS ARE PROUD OF THE HIGH QUALITY OF LIFE THEY HAVE. THEY ENJOY RECREATIONAL AND CULTURAL AMENITIES FAR BEYOND THOSE IN STATES OF SIMILAR SIZE. CORPORATE RECRUITERS ARE FOND OF SAYING THAT OUR WINTERS SOMETIMES MAKE PEOPLE RELUCTANT TO MOVE INTO MINNESOTA. BUT ONCE PEOPLE GET TO MINNESOTA IT'S VIRTUALLY IMPOSSIBLE TO GET THEM TO LEAVE AGAIN.

MINNESOTANS FEEL AN AFFINITY FOR CITIZENS OF YOUR NATION. WE SHARE MANY OF THE SAME BASIC VALUES -- HARD WORK, THE POLITE REGARD FOR OTHERS, A DEDICATION TO QUALITY, AND A WILLINGNESS TO INVEST FOR THE LONG-TERM.

THE SPEAKERS WHO FOLLOW ME WILL ELABORATE ON MANY OF THE GOOD THINGS I HAVE TOUCHED UPON. WE UNDERSTAND THE NEEDS OF PEOPLE LIKE YOU WHO ARE RESPONSIBLE FOR MAKING DIFFICULT INTERNATIONAL BUSINESS DECISIONS. WE HAVE THE INFORMATION TO HELP YOU MAKE SUCH IMPORTANT LONG-TERM AND OFTEN EXPENSIVE DECISIONS. WE HOPE WE HAVE SUCCEEDED IN BEGINNING TO SHOW YOU THAT MINNESOTA IS A VERY SPECIAL PLACE -- WITH MANY OPPORTUNITIES FOR PROSPERITY.

THANK YOU.





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