

## 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  
AS 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 CRUMBLLED 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, PUT ITS: 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.

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.

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  
KNOWN. OUR TWO COUNTRIES,  
ALONE, 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 INSIDE OF JAPAN. JAPANESE FIRMS NOW EMPLOY SOME 250,000 AMERICANS IN THE U.S.

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 NATIONS 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  
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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 VENTURE. 3M--SU-MI-TO-MO AND 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. IT IS MY UNDERSTANDING THAT A NUMBER OF THEM WILL BE REPRESENTED AT THE RECEPTION FOLLOWING THIS SEMINAR.

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 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 SCHOOL. 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 BE 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 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 ENTREPRENEURS. THEY HAVE  
SPAWNED A STEADY 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 WELLSPRING, 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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