

J3 LEARNING/NIPPON WILSON LEARNING
REMARKS OF AMBASSADOR MONDALE
JULY 11, 1995

THANK YOU FOR INVITING ME HERE TODAY. I AM DELIGHTED TO CELEBRATE THE INITIAL PUBLIC OFFERING OF NIPPON WILSON LEARNING WITH YOU. WILSON LEARNING'S ROOTS BEGAN MORE THAN 30 YEARS AGO IN THE STATE OF MINNESOTA. I UNDERSTAND THAT NIPPON WILSON LEARNING HAS NOW JOINED HANDS WITH J3 LEARNING, ANOTHER MINNESOTA COMPANY, TO BRING LEADING SOFTWARE EDUCATION TO JAPAN.

MINNESOTA HAS ALWAYS BEEN A LEADER IN AMERICAN EDUCATION. SOME OF THE BEST SCHOOLS IN THE COUNTRY ARE IN MINNESOTA AND, WHILE YOU MAY THINK THAT I AM BIASED, I BELIEVE IT IS NO COINCIDENCE THAT NIPPON WILSON LEARNING AND J3 LEARNING, WITH ROOTS IN MINNESOTA, ARE AT THE FOREFRONT IN THE FIELDS OF HUMAN RESOURCE AND SOFTWARE EDUCATION. I KNOW THAT THESE PARTNERSHIPS WILL CONTINUE TO BE SUCCESSFUL.

AS WE CELEBRATE THIS NEW BUSINESS VENTURE, IT IS FITTING THAT WE CONSIDER THE GREAT STRIDES THAT OUR NATIONS HAVE MADE IN RECENT MONTHS ON THE TRADE FRONT.

WHEN I FIRST ARRIVED HERE AS AMBASSADOR, NEARLY TWO YEARS AGO, I GAVE MANY TALKS IN WHICH I DESCRIBED THE U.S.-JAPAN RELATIONSHIP AS RESTING ON A THREE-LEGGED STOOL, WITH A SECURITY LEG, A POLITICAL LEG, AND AN ECONOMIC LEG. AT THAT TIME, THE ECONOMIC LEG WAS THE WOBBLY PART OF THE U.S.-JAPAN PARTNERSHIP AND I SPOKE OF THE NEED TO PUT THIS ASPECT OF OUR RELATIONSHIP ON AS FIRM A FOOTING AS OUR POLITICAL AND SECURITY TIES.

TODAY, WHILE WE STILL HAVE MORE TO DO, I BELIEVE WE CAN SAY THAT WE HAVE MADE TREMENDOUS PROGRESS. IN THESE TWO YEARS, WE HAVE CONCLUDED 16 NEW MARKET OPENING AGREEMENTS IN SUCH AREAS AS CONSTRUCTION, INSURANCE, MEDICAL EQUIPMENT, TELECOMMUNICATIONS, FINANCIAL SERVICES, AND GLASS. THE MOST RECENT ONE, ON AUTOS AND AUTO PARTS, WAS BY FAR OUR MOST DIFFICULT NEGOTIATION, BUT HERE TOO WE HAVE SUCCEEDED IN REACHING A GOOD, SOLID

AGREEMENT THAT WILL NARROW THE YAWNING TRADE GAP THAT MY COUNTRY FACES WITH JAPAN.

FOR ALL OF THE DIFFICULTIES OF DOING BUSINESS IN JAPAN, WE MUST RECOGNIZE SOME BASIC FACTS. JAPAN IS AMERICA'S LARGEST OVERSEAS TRADING PARTNER. WE SELL MORE TO JAPAN THAN TO ANY OTHER COUNTRY SAVE CANADA. RECENT FIGURES SHOW THAT OUR EXPORTS TO JAPAN ARE STEADILY RISING. SALES OF U.S. SEMICONDUCTORS ARE UP 28 PERCENT; WOOD PRODUCTS, UP 20 PERCENT; PHARMACEUTICALS, UP 18 PERCENT; AND IN THE AUTOMOBILE SECTOR, EXPORTS ARE UP 38 PERCENT. WITH THE AGREEMENT WE JUST REACHED, WE EXPECT GROWTH IN THIS LAST SECTOR TO BE EVEN MORE IMPRESSIVE.

WHAT THESE STATISTICS REVEAL IS THAT, IN THOSE AREAS WHERE JAPAN'S MARKETS ARE OPENING UP TO FOREIGN GOODS, U.S. COMPANIES ARE COMPETING VERY WELL. WITH OPEN MARKETS, THE U.S., WHICH HAS THE MOST COMPETITIVE AND PRODUCTIVE ECONOMY IN THE WORLD, IS ABLE TO DO VERY WELL WITH JAPANESE CONSUMERS.

THERE IS ANOTHER STORY THAT NEEDS TO BE TOLD HERE AND THAT IS THAT U.S. COMPANIES ARE SUCCEEDING IN JAPAN'S MARKET BY WORKING HAND-IN-HAND WITH SUCCESSFUL JAPANESE COMPANIES, TO THE BENEFIT OF AMERICAN AND JAPANESE BUSINESS AND JAPANESE CONSUMERS ALIKE.

FOR EXAMPLE, A LITTLE OVER A YEAR AGO, OUR GOVERNMENTS SIGNED A CELLULAR PHONE AGREEMENT AIMED AT OPENING THE PORTABLE PHONE BUSINESS TO OUTSIDE COMPETITION. SINCE THIS MARKET-OPENING AGREEMENT WAS REACHED, BUSINESS IS BOOMING FOR MOTOROLA, THE U.S. COMPANY INVOLVED. PROFITS ALSO ARE SOARING FOR I.D.O., THE JAPANESE COMPANY THAT HANDLES MOTOROLA PHONES. OTHER JAPANESE COMPANIES ARE THRIVING TOO -- SIX JAPANESE COMPANIES NOW SHARE ABOUT 75 PERCENT OF THE EQUIPMENT MARKET HERE FOR THESE PHONES.

FOR 14 YEARS BEFORE THIS CELLULAR PHONE AGREEMENT, THE MARKET IN THE CRUCIAL TOKYO-NAGOYA CORRIDOR WAS STAGNANT, PROVIDING DISTINCTLY UNIMPRESSIVE AND COSTLY CELLULAR PHONE SERVICE AS COMPARED TO ALMOST EVERY LARGE COMMERCIAL CENTER IN THE WORLD. TODAY, THIS SAME AREA HAS RAPIDLY BECOME ONE OF THE MOST MODERN AND EFFICIENT CELLULAR PHONE MARKETS IN THE

WORLD. JAPANESE CONSUMERS ALSO ARE BENEFITING -- A HAND SET THAT USED TO RENT FOR 100,000 YEN (YOU COULD NOT BUY THEM) NOW SELLS FOR HALF THAT, AND THE PRICES ARE STILL COMING DOWN. IT IS NO SURPRISE THAT THE NUMBER OF CELLULAR PHONE SUBSCRIBERS IS NOW EXPECTED TO GROW AN AVERAGE OF 20 PERCENT ANNUALLY.

WHAT HAPPENED FOLLOWING THE CELLULAR PHONE AGREEMENT IS TRUE FOR EVERY OTHER AREA IN WHICH WE HAVE BEEN ABLE TO OPEN JAPAN'S MARKETS TO FOREIGN COMPETITION -- BE IT BEEF, CITRUS, SEMICONDUCTORS, YOU NAME IT.

I AM PARTICULARLY PLEASED WITH THE NEWS OF THIS PARTNERSHIP BETWEEN J3 LEARNING AND NIPPON WILSON LEARNING BECAUSE IN NO AREA DOES OUR FUTURE TRADE RELATIONSHIP LOOK AS PROMISING AS IN THE AREA OF INFORMATION TECHNOLOGIES.

AMERICAN COMPANIES HOLD NEARLY 40 PERCENT OF JAPAN'S GROWING COMMERCIAL MARKET FOR PERSONAL COMPUTERS. THIS IS ESPECIALLY IMPORTANT FOR COMPANIES LIKE J3 LEARNING AND NIPPON WILSON LEARNING, BECAUSE INCREASING SALES OF U.S. PERSONAL COMPUTERS MEANS INCREASING SALES OF U.S. SOFTWARE. AND THIS, OF COURSE MEANS A GREATER CONSUMER DEMAND FOR PRODUCTS THAT TEACH CONSUMERS AND BUSINESSES HOW TO USE OUR SOFTWARE.

THIS IS A TREMENDOUS GROWTH MARKET. JAPAN'S INFORMATION TECHNOLOGIES SECTOR IS THE SECOND LARGEST IN THE WORLD; BY THE END OF THE CENTURY, IT WILL REACH A TRILLION DOLLARS. SOFTWARE SALES HERE HAVE NEARLY DOUBLED IN THE PAST FEW YEARS. MUCH OF THIS GROWTH IS IN PC-PACKAGED SOFTWARE PRODUCTS -- THE VERY AREA IN WHICH J3 LEARNING DEVELOPS ITS PROGRAMS AND HAS SO MUCH EXPERIENCE.

HERE IS AN AREA WHERE AMERICAN TECHNOLOGY AND KNOW-HOW IS EXTREMELY COMPETITIVE. AS JAPAN BEGINS TO DEVELOP THIS SECTOR, MY GOVERNMENT IS COMMITTED TO PROMOTING U.S. SALES. WE EXPECT TO KEEP IN CLOSE TOUCH WITH YOU, THE BUSINESS COMMUNITY, AND WITH THE JAPANESE GOVERNMENT, TO ENSURE FOREIGN PARTICIPATION IN THIS SECTOR FROM THE EARLIEST STAGES.

IF YOU HAVE NOT YET HAD THE CHANCE, I ENCOURAGE YOU TO COME BY THE EMBASSY AND MEET WITH MEMBERS OF MY STAFF WHO CAN ASSIST YOU IN MATCHING YOUR PRODUCTS WITH U.S. AND JAPANESE BUYERS AND COMPANIES. JULIE SNYDER, WHO HEADS OUR INFORMATION TECHNOLOGY UNIT, IS HERE TODAY, AND I HOPE THAT YOU HAVE A CHANCE TO MEET HER LATER ON.

GETTING TO WHERE WE ARE TODAY IN OUR TRADE RELATIONSHIP HAS REQUIRED A LOT OF PERSEVERANCE. BUT WHILE NEGOTIATING AGREEMENTS HAS BEEN CRUCIAL, IT IS ONLY A FIRST STEP, AND THESE AGREEMENTS ARE MEANINGLESS WITHOUT THE AGGRESSIVE FOLLOW-THROUGH OF BUSINESSES AND INSTITUTIONS LIKE YOURS.

IN CLOSING, LET ME SAY THIS: IN ALL OF OUR DEALINGS ON TRADE, AMERICANS ARE GUIDED BY ONE COMMON CONVICTION, THAT BUSINESS MUST HAVE THE OPPORTUNITY TO COMPETE, FREELY AND FAIRLY, IN ANY SECTOR, IN ANY MARKET IN THE WORLD. THE UNITED STATES, WHICH OFFERS THE LARGEST OPEN MARKET IN THE WORLD TO INTERNATIONAL COMPETITION, HAS GAINED TREMENDOUSLY FROM THE CHALLENGE OF OPEN COMPETITION.

THE U.S. GOVERNMENT IS NOT SEEKING, NOR IS AMERICAN BUSINESS ASKING FOR, A GUARANTEED SHARE OF THE MARKET HERE. WHAT WE DO WANT AND NEED IS A FULL OPPORTUNITY TO REACH THE JAPANESE CONSUMER, AND TO HAVE JAPANESE BUSINESS AND GOVERNMENT DEAL OPENLY AND FAIRLY WITH COMPETITORS FROM AMERICA AND AROUND THE WORLD. FOR US TO MEET THIS GOAL, THE ENERGETIC INVOLVEMENT OF U.S. AND JAPANESE BUSINESS IS CRUCIAL. FOR THIS REASON, COMPANIES LIKE NIPPON WILSON LEARNING AND J3 LEARNING, WHO ARE WORKING TOGETHER TO SEIZE PROMISING BUSINESS OPPORTUNITIES, SHOULD GIVE US ALL REASON TO BE OPTIMISTIC ABOUT THE U.S.-JAPAN TRADE RELATIONSHIP.

THANK YOU.



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