

KITA-KYUSHU
FOREIGN ACCESS ZONE SPEECH

IT IS A GREAT PLEASURE TO VISIT THE DYNAMIC CITY OF KITA-KYUSHU, AND THE DIVERSE AND BEAUTIFUL REGION OF WESTERN JAPAN. I HAVE COME TO PARTICIPATE IN THE 1995 AMERICAN TRADE FAIR -- WHICH MAKES THE TRIP ALL THE MORE DELIGHTFUL.

I WISH TO THANK MAYOR SUEYOSHI, AND MR. KOGA, PRESIDENT OF THE KITA-KYUSHU IMPORT PROMOTION CENTER, FOR ORGANIZING THIS FORUM, AND FOR INVITING ME TO SPEAK ALONG WITH MITI DIRECTOR GENERAL HIROSE AND MR. TANAKA.

I ALSO WANT TO RECOGNIZE THE COUNSEL GENERAL OF OUR FUKUOKA OFFICE AND THROUGH HIM HIS EXCELLENT ASSISTANTS. THEY ARE DOING A TERRIFIC JOB OF REPRESENTING AMERICANS AND AMERICAN BUSINESS IN THIS DYNAMIC AREA AND WE ARE VERY GREATLY FOR THEIR EFFORTS.

THE KYUSHU / YAMAGUCHI REGION HAS A DISTINGUISHED HISTORY AS A GATEWAY FOR NEW IDEAS AND GOODS FROM OVERSEAS. FOR CENTURIES, THIS AREA WAS JAPAN'S WINDOW TO THE WORLD. THROUGH YOUR PORT CAME COMMERCE FROM AROUND THE WORLD, A NEW LANGUAGE, AND NEW IDEAS INCLUDING NEW RELIGIONS AND CIVIC SYSTEMS. I AM WELL AWARE THAT THIS REGION HAS PRODUCED SOME OF THE MOST CREATIVE LEADERS FOR THE NEW JAPAN LAUNCHED BY THE MEIJI RESTORATION. THAT TRADITION IS VERY MUCH ALIVE TODAY -- I SEE CLEAR EVIDENCE OF AMERICANS AND JAPANESE WORKING TOGETHER IN THIS REGION. JAPANESE CONSUMERS ALSO BENEFIT FROM AMERICAN QUALITY, CREATIVITY AND COMPETITIVENESS.

THERE ARE MANY EXAMPLES OF THE MUTUAL BENEFITS THAT FLOW FROM THE U.S.-JAPAN COOPERATION IN THIS REGION.

J-R (JAPAN RAILWAYS) KYUSHU HAS USED AMERICAN ARCHITECTS FOR SOME OF ITS NEW STATIONS; AN AMERICAN FIRM IS PART OF THE JOINT VENTURE THAT WILL BUILD THE ASIA PACIFIC IMPORT MART IN KITA-KYUSHU; HAKATA CANAL CITY, WHICH I UNDERSTAND OPENS NEXT YEAR IN FUKUOKA, IS A COLLABORATION THAT INCLUDES AMERICAN ARCHITECTS, DESIGNERS, SUPPLIERS, AND RETAILERS.

I AM IMPRESSED BY THE RAPID PACE OF DEVELOPMENT IN WESTERN JAPAN -- THE EXTENSION OF THE SHINKANSEN LINE, PORT AND AIR EXPANSIONS, NEW AUTOMOBILE FACTORIES -- AND THE FACT THAT KYUSHU IS RESPONSIBLE FOR ALMOST 40 PERCENT OF JAPAN'S INTEGRATED CIRCUIT PRODUCTION. IT IS EASY TO UNDERSTAND WHY THE KYUSHU / YAMAGUCHI REGION HAS A GROSS DOMESTIC PRODUCT RIVALING THAT OF KOREA, TAIWAN, OR AUSTRALIA.

ANY SIGNIFICANT AMERICAN BUSINESS THAT IGNORES JAPAN AND THIS REGION DOES SO AT ITS PERIL. SIMPLY PUT, ASIA IS THE MOST ECONOMICALLY DYNAMIC REGION IN THE WORLD.

AS YOU KNOW, THIS MORNING I OPENED THE AMERICAN TRADE FAIR IN KYUSHU, IN WHICH OVER 120 OF THE FINEST AMERICAN COMPANIES ARE PARTICIPATING. THIS IS A STRONG SHOWING OF THEIR COMMITMENT TO YOUR DYNAMIC MARKET. I ENCOURAGE YOU TO VISIT THIS IMPRESSIVE SHOW.

TRADE FAIRS LIKE THIS ONE CELEBRATE THE COOPERATIVE SPIRIT THAT HOLDS OUR NATIONS TOGETHER. MANY OF YOU SEE THE U.S.-JAPAN RELATIONSHIP FROM A BUSINESS PERSPECTIVE; AND INDEED, ECONOMIC EXCHANGES BETWEEN THE PEOPLE AND COMPANIES OF OUR TWO NATIONS ARE A KEY COMPONENT OF THE BROAD-RANGING COOPERATION WE ENJOY.

OF COURSE JAPANESE CIVIC AND BUSINESS LEADERS HERE ALSO RECOGNIZE THE IMPORTANCE OF THE AMERICAN MARKET TO THEM. THE U.S. OFFERS THE LARGEST OPEN MARKET IN THE WORLD, AND OUR ECONOMY IS THE MOST PRODUCTIVE ON EARTH. THE STRENGTH OF OUR SCIENTIFIC, TECHNOLOGICAL, AND INDUSTRIAL BASE, COUPLED WITH THE DYNAMISM OF OUR PEOPLE AND THE OPENNESS AND FLEXIBILITY OF OUR ENTREPRENEURIAL SYSTEM IS WITHOUT MATCH IN THE WORLD.

JAPAN AND THE UNITED STATES THUS MAKE PERFECT PARTNERS; TOGETHER WE PRODUCE 40% OF THE WORLD'S GOODS. BY WORKING TOGETHER TO SUSTAIN AN OPEN WORLD TRADING AND FINANCIAL SYSTEM, AND BY COOPERATING AND ESTABLISHING PARTNERSHIPS IN BUSINESS, WE COUPLE THE INCREDIBLE STRENGTHS OF OUR TWO NATIONS FOR THE BENEFIT OF THE WORLD.

MANY PEOPLE THINK OF BILATERAL RELATIONS AS BEING THOSE OVERSEEN BY TWO NATIONAL GOVERNMENTS, CHARACTERIZED BY FORMAL STATE MEETINGS BETWEEN PRESIDENTS AND PRIME MINISTERS, BUT THAT IS ONLY ONE DIMENSION.

BUT NO AMBASSADOR OR PRESIDENT CAN ALONE CREATE PUBLIC SUPPORT FOR IMPROVED U.S.-JAPAN RELATIONSHIP. BUSINESS TIES BETWEEN CORPORATIONS, SISTER CITY RELATIONSHIPS, STUDENT EXCHANGES, AND STATE OFFICES WORKING TO ENHANCE COMMERCIAL TIES ARE ALL CORE ELEMENTS OF THIS JOINT ENTERPRISE. WE SEE THIS POINT MADE IN MANY AREAS OF LIFE, IN FACT I BELIEVE THAT HIDEO NOMO, THE DODGERS PITCHER AND THE ROOKIE OF THE YEAR HAS DONE MORE TO IMPROVE US JAPANESE RELATIONSHIP THAN HAVE ALL OF THE REST OF US PUT TOGETHER. IT IS AT THE GRASS ROOTS WHERE SUCCESS OR FAILURE IS TO BE FOUND. YOUR PRESENCE HERE IS GOOD FOR YOUR BUSINESS, BUT IT ALSO STRENGTHENS THE CRUCIAL TIES BETWEEN OUR TWO NATIONS. YOU ARE THE GLUE THAT BINDS OUR NATIONS TOGETHER.

BEFORE I RETURN TO BRIEF DISCUSSION OF U.S.-JAPAN ECONOMIC RELATIONS, I WOULD LIKE TO TOUCH UPON SOME OF THESE OTHER ELEMENTS OF THE RELATIONSHIP THAT FORM THE FOUNDATION UPON WHICH OUR COOPERATIVE TIES ARE BUILT.

THE FIRST IS SECURITY. THERE IS SIMPLY NO SUBSTITUTE FOR THE POSITIVE ROLE THAT THE U.S.-JAPAN SECURITY ALLIANCE IS PLAYING IN ASIA. THE STABILITY THAT THIS ALLIANCE HAS FOSTERED IS THE PLATFORM WHICH MADE THE REGION'S ECONOMIC MIRACLE POSSIBLE. THE ENDING OF THE COLD WAR HAS NOT DIMINISHED THE NEED FOR U.S. JAPAN COOPERATION ON THE SECURITY FRONT. COMMON INTERESTS -- FROM OPEN SEA LANES TO THE PEACEFUL RESOLUTION OF REGIONAL DISPUTES -- ARE SUFFICIENT REASON TO KEEP US FULLY ENGAGED WITH JAPAN.

ANOTHER VIBRANT ELEMENT OF THE U.S.-JAPAN RELATIONSHIP IS IN THE POLITICAL REALM, IN WHICH WE HAVE ENJOYED A LONG HISTORY OF WORKING TOGETHER.

WE ARE CURRENTLY ENGAGED IN OVER 20 AREAS UNDER THE SO-CALLED "COMMON AGENDA," WHICH INCLUDES JOINT EFFORTS IN AIDS RESEARCH, ENVIRONMENTAL INITIATIVES, CHILDREN'S VACCINES, TO NAME JUST A FEW. THESE ARE AREAS IN WHICH THE UNITED STATES AND JAPAN ARE WILLING AND VERY ABLE TO CONTRIBUTE TO A BETTER QUALITY OF LIFE FOR PEOPLE AROUND THE WORLD. THESE

INITIATIVES ARE PROVING SUCCESSFUL ON MANY FRONTS, AND I AM OPTIMISTIC THAT WE CAN IDENTIFY NEW AREAS FOR BILATERAL COOPERATION WHICH WILL HAVE POSITIVE GLOBAL CONSEQUENCES.

CLOSE CULTURAL TIES ARE ESSENTIAL AS WE PURSUE ALL OF THESE COMMON GOALS. WE SIMPLY CANNOT WORK TOGETHER WITHOUT UNDERSTANDING AND TRUSTING EACH OTHER. WHEN PEOPLE GET TOGETHER THEY DISCOVER THAT THEY HAVE MORE IN COMMON THAN MANY HAD REALIZED. AS YOU MAY KNOW, I AM A STRONG ADVOCATE OF STUDENT EXCHANGES. WHEN WE SEND OUR YOUNG PEOPLE TO LEARN IN ANOTHER COUNTRY, WE GIVE THEM NOT ONLY EXPANDED KNOWLEDGE, BUT IMPROVED UNDERSTANDING OF THE WORLD, AND OF THEMSELVES. THERE IS REALLY NO SUBSTITUTE FOR THE BENEFITS GAINED THROUGH SUCH AN EDUCATION--IT IS MAGIC AND WE ARE IN NEED OF MUCH MORE OF IT.

THE LEADERS OF THIS REGION RECOGNIZE THE IMPORTANCE OF DIVERSE BILATERAL EXCHANGES, AND HAVE DEVELOPED ONE OF THE MOST VIBRANT CULTURAL EXCHANGE PROGRAMS IN JAPAN. FOR EXAMPLE, KYUSHU UNIVERSITY -- FIRST AMONG THE NATIONAL UNIVERSITIES TO DO SO -- LAST YEAR LAUNCHED AN AMBITIOUS INTERNATIONAL EXCHANGE PROGRAM CALLED "JAPAN IN TODAY'S WORLD." I MET WITH THE STUDENTS DURING MY VISIT LAST YEAR, AND I STRONGLY ENDORSE THE PROGRAM.

KITA-KYUSHU IS A FITTING PLACE TO SPEAK OF THE BENEFITS OF INTERNATIONAL EXCHANGE. THE DISTINGUISHED YASUKAWA FAMILY HAILS FROM THIS AREA, AND HAS LONG MAINTAINED CLOSE TIES WITH THE UNITED STATES, INCLUDING THE FIRST JAPANESE STUDENT TO STUDY AT THE UNIVERSITY OF PENNSYLVANIA. THEY WERE ALSO INSTRUMENTAL IN FOUNDING THE KYUSHU INSTITUTE OF TECHNOLOGY, WHICH MAINTAINS CLOSE RELATIONS WITH AMERICAN ACADEMIC INSTITUTIONS.

I URGE YOU TO EXAMINE WAYS IN WHICH YOU CAN EXPAND THE NUMBER OF STUDENTS STUDYING ABOUT EACH OTHER.

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SINCE I CAME TO JAPAN OVER TWO YEARS AGO, THE U.S. EMBASSY AND I HAVE BEEN PARTICULARLY BUSY IN THE ECONOMIC ARENA. WE WORKED TOGETHER TO NEGOTIATE TRADE AGREEMENTS THAT WILL CORRECT ECONOMIC IMBALANCES BETWEEN JAPAN AND THE UNITED STATES.

OVER THE PAST TWO YEARS, WE HAVE CONCLUDED 20 AGREEMENTS IN SECTORS AS DIVERSE AS INSURANCE, TELECOMMUNICATIONS, CONSTRUCTION, MEDICAL EQUIPMENT, FINANCIAL SERVICES, GLASS, AND FINALLY THE AUTO SECTOR AGREEMENT.

ALL OF THESE AGREEMENTS ARE GOOD FOR CONSUMERS AND BUSINESSES IN BOTH COUNTRIES. ULTIMATELY, THEY BENEFIT BOTH ECONOMIES, BY ENCOURAGING INCREASED COMPETITION, LOWER PRICES, GREATER CHOICE, BIGGER MARKETS, AND MORE SALES. THIS IS A WIN / WIN SITUATION.

THIS IS NOT JUST THEORY; IT IS BEING PROVEN EVERY DAY HERE IN JAPAN.

+++ A LITTLE OVER A YEAR AGO, OUR GOVERNMENTS SIGNED A CELLULAR PHONE ACCORD TO IMPROVE AMERICAN ACCESS TO THE JAPANESE PORTABLE PHONE MARKET IN THE TOKYO-NAGOYA CORRIDOR. THE MARKET WAS STAGNANT BUT NOW IT MAY BE THE MOST DYNAMIC CELLULAR PHONE MARKET IN THE WORLD. BOTH AMERICAN AND JAPANESE BUSINESSES ARE PROSPERING, BUT THE JAPANESE CONSUMER IS THE BIGGEST WINNER. 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. MONTHLY CHARGES HAVE DROPPED IN HALF. IT IS NO SURPRISE THAT THE NUMBER OF CELLULAR PHONE SUBSCRIBERS IS NOW EXPECTED TO GROW AN AVERAGE OF 20 PERCENT ANNUALLY. SO EVERYONE IS A WINNER.

+++ SINCE THE AGREEMENT OPENING THE BEEF MARKET, THE CONSUMPTION OF BEEF IS RISING RAPIDLY AND PRICES ARE COMING DOWN. WE NOW EXPORT OVER A BILLION DOLLARS OF BEEF A YEAR AND SALES CONTINUE TO RISE. THE PRICE OF BEEF HERE IS COMING DOWN AND WILL CONTINUE TO DO SO.

+++ THE CITRUS AGREEMENT HAS RESULTED IN A FOUR FOLD INCREASE IN CONSUMPTION OF ORANGE JUICE IN JAPAN AND THE PRICE TO CONSUMERS HAS DROPPED BY HALF.

+++ A RECENT NEW YORK TIMES ARTICLE OUTLINES THE COMPUTER REVOLUTION GOING ON IN JAPAN FUELED BY THE SOARING SALES OF U.S. MADE PC'S HERE. THE JAPANESE HAD MADE LITTLE USE OF PERSONAL COMPUTERS. THE INEFFICIENCY OF JAPANESE OFFICES WAS WELL KNOWN. THE PRESSURE OF AMERICAN

COMPETITION HAS BROUGHT THE BEST PC'S INTO THE MARKET, SHARPLY REDUCED PRICES, AND JAPANESE CONSUMERS ARE PURCHASING THEM IN SHARPLY RISING NUMBERS. JAPANESE BUSINESSES ARE NOW BUYING THEM AND GREATLY INCREASING THE EFFICIENCY OF THEIR OFFICES. JAPANESE COMPUTER COMPANIES, RESPONDING TO THE COMPETITION ARE NOW IN THE PC BUSINESS IN A BIG WAY. IN SHORT, COMPETITION AND OPEN MARKETS HAS BENEFITED EVERYONE.

THESE ARE JUST A FEW OF THE EXAMPLES OF HOW GOOD AGREEMENTS BENEFIT BOTH AMERICA AND JAPAN. NOW WE HAVE REACHED AGREEMENT ON ALL OF THE PRIORITY AREAS CITED BY WHAT WE DUBBED THE "FRAMEWORK" TALKS. WE ARE MOVING ON TO MONITORING AND IMPLEMENTING THESE AGREEMENTS. IF FULLY IMPLEMENTED, WE WILL SEE SIGNIFICANT IMPROVEMENT IN WORLD ACCESS TO THE JAPANESE MARKETS. BUT WE MUST BE SURE THAT THE SPIRIT OF THESE ACCORDS IS REALIZED IN ACTUAL PRACTICE.

WE WILL BE WORKING WITH THE JAPANESE GOVERNMENT TO SEE THAT THIS IS THE CASE, AND I AM ASKING AMERICAN BUSINESSES TO WORK WITH US AS WELL. AN ENERGETIC U.S. BUSINESS INVOLVEMENT IS CRUCIAL TO SUCCESS. WE ARE NOT SEEKING, NOR IS AMERICAN BUSINESS ASKING FOR, A GUARANTEED SHARE OF THE MARKET HERE. WHAT WE WANT AND NEED IS A FULL OPPORTUNITY TO REACH THE JAPANESE CONSUMER.

FURTHER STRENGTHENING ECONOMIC TIES BETWEEN THE UNITED STATES AND JAPAN WILL NOT ONLY INCREASE THE PROSPERITY AND WELFARE OF THE CITIZENS OF BOTH COUNTRIES, BUT IT WILL STRENGTHEN THE OVERALL RELATIONSHIP BETWEEN US -- SOMETHING SO CRUCIAL TO THE FUTURE OF THE WORLD. SO THE WORK YOU AND I ARE ENGAGED IN HAS TRULY STRATEGIC IMPLICATIONS.

I HAVE OFTEN SAID THAT I TOOK THIS JOB FOR MY GRANDCHILDREN. THE U.S.-JAPANESE RELATIONSHIP TRULY IS THE MOST IMPORTANT IN THE WORLD FOR BOTH OF US, AND INDEED FOR THE WORLD. IF WE MANAGE THIS RELATIONSHIP WELL, PRACTICALLY EVERYTHING IN THE WORLD -- ECONOMIC GROWTH, SECURITY, AND THE QUALITY OF LIFE ON OUR PLANET -- WILL BE IMPROVED. I AM OPTIMISTIC THAT WE WILL BE SUCCESSFUL IN THIS ENDEAVOR, AND WILL ACHIEVE THE HOPEFUL FUTURE WE OWE TO OUR GRANDCHILDREN.



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