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Corrected

Ambassador Walter F. Mondale Address Before the American Chamber of Commerce in Japan

***Tokyo American Club
March 30, 1994
(As delivered)***

Ambassador Mondale: Thank you very much Tom for that very kind introduction.

As you know, I've been here just a little over seven months now and became an expert on Japan last Friday afternoon, and I was very pleased to learn shortly after my arrival that the Ambassador is the honorary president of this organization, of the ACCJ. So as I go along what I hope to do is this. I hope we can establish a more personal relationship than that. I'd like to learn your first names so that when I meet you I can say hi Bill and I want you to just call me Mr. President. I've wanted that for a long time, we might as well start right here. As George McGovern once said he said "I always wanted to run for President in the worst possible way and I did".

Seriously, I think the relationship between the Embassy here and the Chamber, may be the best in the world. This Chamber has a long tradition of responsible leadership in this country on behalf of the American business community, and in order to do that effectively not only the Ambassador but the key leadership of the Embassy and the key leadership of this Chamber have been working together in an intensive way

over a broad range of issues over many many years. And I'm very pleased to be able to continue that tradition because we gain so much from your terrific contributions.

We're starting a new tradition this morning where we'll meet quarterly as we are here and what I'd like to do is avoid a long stuffy speech. I can tell by the look in your face you'd like to join with me in that and get into the questions and the discussion as quickly as possible. But before I do, I'd like to just make a few comments about the current economic and trade relationship between the United States and Japan.

A portion of the Japanese market, as many of you know, is open and is available in those areas for effective American and world commercial participation. Not every economic aspect of the relationship between the United States and Japan is characterized by protectionism. Many of you are doing very well in Japan and we are all grateful for that.

Unfortunately, as you also know there are many aspects of the Japanese economy where that is simply not the case. We don't have to go into the different measurements that help demonstrate

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that point, whether it's the percentage of manufacturing imports or inter-industry trade or the amount of direct foreign investment here as compared to other nations, or the level of prices here in the same commodities as compared to elsewhere in the world, but there is a very strong case, powerful case to be made and one in fact that is not really argued about — that a good section of the Japanese economy is essentially closed or closed to too great a degree to effective competition from the rest of the world.

On the other hand, the American economy while we can't say it's perfect but I think the U.S. economy is probably the most open major economy in the world, and now as the American economy is in a growth pattern again, and it is, this is a source of much needed demand for the world, including for Japanese producers who sell in the Japanese market. Unfortunately, this phenomenon that I've described is leading to increasing levels of trade tensions and increasing levels of trade and current account imbalances.

Today, as you know, the Japanese economy has about a 130 billion dollar current account imbalance with the rest of the world and about half of that is with the United States, and that figure has jumped substantially in the last two years. So last July at the summit meeting — the G-7 meeting — there was a side agreement called the Framework reached between the United States and Japan, which sought in a fundamental way, a results oriented way, to change this around in two respects. One to bring about a dramatic reduction in the current account imbalance by domestic-led growth in Japan, and secondly by significant market openings in the sectors that were identified as requiring such steps. The first being government procurement in telecommunications and in medical equipment, then in insurance, autos and auto parts and down the road such things as financial services.

In that agreement, we agreed to take steps to substantially reduce our fiscal deficit in the United States and to strengthen our international competitiveness and I think that the verdict thus far has been pretty impressive. There has been a very significant reduction in the U.S. fiscal deficit this year and American competitiveness now is, I think, drawing attention around the world. There's almost a story every day about how America seems to have gotten back on its

feet: American businesses are far more competitive; we've gotten our costs under control; the quality of American products is much improved; that the creativity and the technological edge of American business is back, strong and effective, and we have become in many ways, once again, the most impressive economy in the world.

I think, without bragging, I think it's fair to say we've done our part. Unfortunately, as you know, despite months of negotiations we were unable to implement the terms of the Framework Agreement, and when we reached Washington on February 11, and although it was a meeting between the President and the Prime Minister where the implications of failure carried extra weight, nevertheless, try as we did, we were unable to obtain agreements which we thought had any tangibility to them.

We had been through an experience over many years where generalized agreements, which involved best efforts commitments loosely defined, had often resulted in great disappointment. And often we'd reach agreements and we'd end up actually losing market share, and so we decided in the Framework Agreement that there should be indicators, not market share indicators, but indicators of progress both quantitative and qualitative that would allow us to measure whether we had an agreement and whether we were making progress or not. That was the essential point on which the negotiations broke down because we were unable to obtain it. So in any event the rest is history.

We decided to have a cooling off period. We decided to give the Government of Japan some time to think through other alternatives. As they said and we said the ball is in their court and they announced then that they would come up with their first series of proposals at the end of March, which they did as you know yesterday. I would have to say that I'm disappointed. On the macro side, the growth side, where they are committed to a highly significant reduction in the current account balance, there is virtually nothing in this document that bears on stimulation at all.

The estimates are from the IMF that the current account will actually get worse under these proposals over the next five years. Our

estimate of growth under the current package is seven tenths of a percent growth this coming year, and this is based on some sixteen economists we consulted, both Japanese and others in this community who are in the business of estimating economic growth. So we were hoping and you know there is a lot of interest in the Japanese business community about getting some stimulation because the economy's in bad shape. So we thought this was one area where perhaps we could make some progress. But if you look at the statement that comes out there is really nothing there except a suggestion that some months down the road, as they near the July Summit, that something might be done, but in the same statement they say it can't be deficit spending. So if they can't increase aggregate demand, then there will be no net stimulation. So at this point on the macro economic growth side, on the current account imbalance side, we're confronted with the picture that I've just described, so I'm disappointed in that.

Secondly, in the deregulation area, basically what you have are very generalized statements of steps that will be taken down the road which are very difficult, very vague and very difficult to analyze and may or may not lead to anything several months down the road. Which has been one of the problems we've had: that is the constant taking of a problem and moving it down and then moving it down and so on, and I'm afraid — and I notice there's been a lot of comment in the local press here, in journals in Japan, saying essentially what I've just said that these are very vague, they're delayed and what they mean or might not mean is very difficult to determine.

In any event, I think it's fair to say there has been no movement since February 11th, and this morning it was announced in Washington that there's not enough here to justify the resumption of negotiations. I regret that because we very much want to make progress but there's no point in negotiating if you don't have some reasonable prospect that you're in the same room on the concepts that have to be negotiated.

In the auto sector, I was particularly disappointed. I don't see why we can't establish as a principle that Japan should be open to American autos and auto parts and to others in the same way that we are open to them —

reciprocity. And it's that principle that I've talked with them about, but if you look at the proposals that have been tabled thus far, basically we have a closed market here in which according to independent studies an American car, say worth \$24,000, cost \$37,000 by the time it gets to the consumer. Whereas the other way around the Japanese car in the United States costs just about the same as it costs here.

An American car that comes in here with a competitive price that would put it under its competitors price, by the time it gets to the market, is 20 or 30 percent more expensive than its equivalent. So what we have here and I dwell on that a minute because half of our trade deficit is in the auto and auto parts sector, and this is an area that I've said many many times publicly and privately that we have to move across the board. But if we're not making progress in this central area as well, it's going to be very hard to see how we're going to implement the spirit of the Framework Agreement. So, regrettably, that's where we are today. I want to keep working. I hope that we can develop a way of making progress, but it's obvious from where we are this morning that we're going to need more than that which we've just received. Thank you very much.

Q: Mike Lactern, Greater China Investments. I'm also a member of the Investments Committee of the ACCJ. Before Hosakawa's visit to Washington, we had someone from the Embassy come over and talk about what the U.S. position was. I don't remember her name but she said that the U.S. was stopping short of demanding numerical targets. But this isn't the message that everyone was getting from the press, so I guess we concluded that maybe the Japanese were managing the press better than the U.S. and making the U.S. look like it was the bad guy, making unreasonable numerical target demands. What are we asking the Japanese to do? Do we have numerical targets?

Ambassador Mondale: There's been some confusion about this, but I'd like to quote Mickey Kantor from Washington today as follows: "And as has been stated frankly by the (Japan) Chamber of Commerce and — who said — an industry chairman, who said the program contains little substance, and the Federation of Bankers Association Chairman said that the

package just set out the directions for further steps and must be fleshed out quickly. So there is something where there (— I think there's general agreement that the package falls short.)" Does that answer your question. Straight from Washington.

Let me try this. One of the things that I found hopeful in the Motorola case was that we sat down and we had negotiations between the parties and between the United States Government and their government, and never once did anybody raise this metaphysical question of indicators, market shares and so on. We just knew it had to be done and in that agreement we've got very specific materials in there on the number of (transmission) towers, how the channels should be developed, allocation of promotion, monies, quarterly reports backed up by the government. But the reason I bring it up is that this is all designed — these agreements are all designed to make it possible for Motorola to go to the consumers in the Tokyo-Nagoya area. But what the consumers decide to do in that area is up to them. And that's all we want.

We're not asking for market shares, we're not asking for any percentage of any market, but what we are asking for is an open market, so that Americans and people from elsewhere can get into closed markets. And the indicators that we're talking about are designed to make certain that we're moving toward a more open market. That's a very important distinction. We've made it repeatedly and regrettably we are still unable to make progress on that because — but we think we must — otherwise we're going to get into the pattern of these agreements where generalized professions of best efforts lead to disappointment.

Q: Good morning, my name's Tim Langley, I represent Apple Computer in Japan and I'm also on the Board of Governors of the ACCJ. All of us live here and work here and we're very concerned about representing our companies and our products and our businesses and I know you and the staff at the Embassy are very concerned about the trade imbalance. The Japanese government has made certain commitments and promises, not only to the United States but also to other G-7 members. We're concerned — don't you feel that the Japanese government should be a bit more

concerned in fulfilling these promises or these commitments?

Ambassador Mondale: Well, as you know, the macroeconomic commitment that I referred to, the stimulation to the domestic economy was a commitment that the Government of Japan made to the G-7 in the summit here in Tokyo. And when the G-7 met last month in Frankfurt, they were unanimous in urging Japan to implement that commitment, and so I would say it's there, the world needs demand now, the Japanese economy -- the fiscal situation is basically the most solid in the world. They could afford to give the economy some stimulation now, and all I can say is we're urging them to do that in every possible way.

Q: Victoria Malendez, I'm an equity analyst with Morgan Stanley in Japan and it seems to me that the Hosokawa government is a very fragile coalition, can barely pass its budget and Mr. Hosokawa seems to be tainted by a little loan from Sagawa Kyubin. How is it that the U.S. Government thinks that the Hosokawa government, which can't even pass its own budget or proposed budget, can come through with a sweeping program designed to answer the U.S.' needs and concerns?

Ambassador Mondale: Well, you know we have tried to be considerate toward the government. We've tried to be as reasonable as we could. We've tried to time our requests in a way that best coordinated with the realities that they have. I'm an old politician and I always figure the beginning of a solution begins in understanding the other person's problem and seeing how you can work it out. But having said all of that, there comes a time when governments and peoples must do business. There are times it just cannot wait forever and that is the reality of these economic problems. And we have difficulties at home. I always say that after many years in government, I found out you never eat off a clean plate. There's always some dirt on it, but governments have to move forward and they have to make decisions even when it's not always the perfect time to do it.

Q: Bill Franklin with Weyerhaeuser Co. Ambassador, in February after the Summit there was a lot of talk at least in the press about sanctions, about the U.S. withdrawing our proposal to reduce tariff on electronics coming in

from Japan and other forms of, let's say, punishment. Has anything been done in that respect or do you anticipate any kind of sanctions as a result of the failure of the Framework.

Ambassador Mondale: We very much hope that they won't be necessary. That's not what we desire, but we've also said that we can't live with the status quo. We have to have market opening here. And if it's impossible to get it done the way we'd like to get it done, we may have to pursue other remedies. We don't want to, but that remains a possibility in the background.

Q: Mr. Ambassador, I'm Don Knode, I'm an old consultant here. There is the *Nikkei Weekly* which we all read and in last Monday's issue there was something that I'd like to ask your comment on. The headline is "Investment Promotion Less Than Demanded" and it goes on to say the U.S. is unlikely to be satisfied Japanese trade officials acknowledged. There has been "a lack of political leadership to convince the Finance Ministry of the need to promote inward investment, an official in another Japanese ministry complained." I wonder if you could comment on that?

Ambassador Mondale: Well, as you know, the figures show that — I forget it's '92 say — that of the world's total inward investment flow of direct foreign investment into a country. Europe took about 35 percent of it, we took about 28 percent of it, and Japan took something like point seven tenths of one percent of it. The ability to make direct foreign investment in Japan has been very very limited and this has serious — first of all we think it's a big loss to Japan, because they're losing out in investments and so on that could be very beneficial to them. But secondly, there's all kinds of evidence that trade follows investment. So that if you can't get the investment, the trade won't follow and so this is a matter that we've been pressing them on very hard. I don't think that there is much of anything in this package yesterday — in fairness to them, I'm not sure it was expected to be in this package — that had any effect on that at all. So I think that's a problem yet to be effectively addressed.

Q: Good morning, my name is David Fayerty and I'm with Great Lakes Chemical Company. We produce products in Arkansas of all places. Mr. Ambassador we've been very

actively privately — Mr. Ambassador about three months or four months ago many of us were very optimistic that the GATT Round would end successfully and that we'd see many of our products have a duty which would go to zero. In the chemical sector, we were very hopeful that there would be a zero for zero, and zero try agreement — that didn't happen. In all of the trade discussions that we've seen, it appears now that we American companies have to negotiate perhaps on a unilateral basis. How resolute will your office and our government be in helping us in this unilateral discussion and how successful will we be? In our case, for example, our main competitor is not a Japanese company, it's a foreign company but we're saddled with duties that make us pay duty, versus our European competitor. Where do you see discussions going in this sector?

Ambassador Mondale: When the GATT Agreement was announced there were some areas left where it was anticipated — we anticipated that further negotiations would take place and we would move toward zero zero or at least come as close as we could. I think yours was one of the areas, wood products was another, what else was there — copper. And we were unable to make any progress on any of them. The Japanese government took the position negotiations were over. And we were unable to make any progress and I think that we'll just have to be frank about it. We were unable to. I'll guarantee you we'll be resolute. On the second part of it, I'll have to talk to you later. Whether it will be successful, I don't know. We'll just do the best we can on it. But the record is there and we were unable to make progress on it.

Q: Larry ... with the Gallup Organization. I notice there is some fear that the continual pressure and not being able to come to an agreement and so forth could lead to tit-for-tat decisions by the government on individual companies. You know like slapping a — you didn't pay enough past royalties, you didn't pay enough taxes and so on and so forth. Is there any fear that it would go in that direction, different divisions of either government could get into that kind of game and if something like that did develop, what would the reaction be to it?

Ambassador Mondale: We don't want that. We'd like to avoid it and that's why we

reached the Framework Agreement to set up a system in which both governments agreed to certain objectives and we'd negotiate them and then the President and Prime Minister announce them. That's the way to handle these matters. Unfortunately, as of this point we've been unable to make progress, but what is unacceptable is the status quo. We have to insist that this market be more open than it is and I think that's a very deep commitment, not just on the part of the United States, but around the world. The world cannot live with a \$130 billion current account imbalances. For many many reasons this has to change and we very much hope that we can do this in a regular, dignified, diplomatic way and that's our emphasis and we will continue to try but we also have to say that we will not accept a permanent situation where our market is the most open in the world and theirs is among major economies the most closed. We can't live with that.

Q: I'm Jim Churchill of the American law firm of Pillsbury Madison and Sutro. I'd like to go back to your comments about the Motorola case. I think the implication of your comments was that this is an example that is subject to extension to other industries and other contexts. The Japanese government and several commentators have disagreed with that position based on the fact that Motorola was in a regulated industry and the government could make commitments regarding a number of stations or channels or whatever, because it was able to enforce those commitments. But in an unregulated business other than market share, what sort of specific guidelines would the U.S. like to see?

Ambassador Mondale: What I meant to say was that I thought the example of Motorola was important because of the way we attacked it. And we just forgot all these metaphysical debates about indicators and so on. The two parties, Motorola and IDO Corporation, who weren't getting along very well by the way, were told to sit down and work this out in detail, so we knew exactly what was committed. And it was agreed in advance that the United States and Japan would back this up with an agreement that would seek to oversee and implement it. So we had a general understanding and we had a spirit we were going to get it done, we're going to get it done before the sanctions fell and we did it. And that was my

point that we can — this is a particular field, for ten years, three agreements, all of them failed, a lot of frustration. I think we've got it now and that's what I meant as the example.

Obviously, there are differences in each area but as you know, here the line between public and private is more blurred than it is in a lot of other societies. Take the auto industry now where the government is taking the position that it has nothing to do with the auto industry. Well, I would say several things. First of all, a lot of what happens here, the individualized inspection of each car, the inability to get distributors and dealers which drives up the cost maybe five or ten thousand dollars a car, the inability to have outlets as they do in the United States where you can justify investing in advertising and so on and you control cost and quality and so on. That is largely unobtainable here.

The higher tax on incoming cars as against how they're taxed in the United States. Something like two thousand, sometimes three thousand dollars a car depending on its cost. And then they have a very severe system of authorizing parts, auto parts called the after market business which virtually — which largely prevents the sale of American parts here even though our parts business is very advanced and very competitive. But the way they license parts here it's virtually impossible. So that when we're told that this is entirely a private matter, most of those costs I've just described are either a direct result of government policy or the failure of government to enforce the anti-trust laws because these are a cartel-like performance. In the United States years ago we passed a law prohibiting the manufacturer from having anything to do with any retail distributor in the United States. It's considered illegal. So, 100 percent of the car dealers in the United States are totally independent, removed from any power or influence from the manufacturer. Here, I think most of the dealers are according to the MOSS Study, not my report — the MOSS Study are under the control of the manufacturer. I don't think that line is often as clear as they might argue.

Q: Mr. Ambassador, Dan Howard with UNISYS Corporation. I'd like to move to the specific and the brutal business of trying to operate with the Government of Japan. The

Embassy is not the only one that has to deal with that government. Many of the businesses here have been trying to penetrate the public sector in Japan for a very long time. With very little success and as Mr. Churchill indicated in the Motorola case the Japanese government did something because they could do something. Well, there are two other areas where they can do something. One is in the acquisition of systems for the government and the other is in the use of their overseas assistance program. In the latter case Japan's annual budget is about eleven billion dollars, equal to the U.S. They have major emphasis on developmental programs in Southeast Asia and yet I am told that as a result of the breakdown in the trade talks that OECF has decided as a matter of policy that the Southeast Asian market and the assistance programs therefore will be reserved for Japanese firms in the future.

We'd appreciate some assistance in helping the people within MITI and OECF to understand that this is probably not the wisest course for relations between our two countries. Secondly, in government acquisition itself, I'm sure that our firm is not alone in having experienced what is commonly called a technical disqualification. You make a bid and at the eleventh hour and fifty-ninth minute you are informed that your bid is technically unqualified. We've had experiences where our bid was thirty percent under the winning bid, making a bid on a government contract and the reason that we didn't win is because we were technically unqualified. I'm told by my Japanese friends that this is a message that when you're told that your bid is technically unqualified this means that the ministry has already decided to whom they wish to make the award and that's its typically the firm that they've been working with for the past two years, the firm that actually wrote the RFP for the ministry.

We'd like a change in this policy and one way I think that you could help to bring it about would be to create a quick reaction team both within the Embassy and within the government agencies in Washington, so that when a firm encounters one of these circumstances, we don't have to wait until after the contract is awarded to get any action. Making a bid protest after the event could make you very very unpopular in this

country. It's just not done. We need help before the bid is awarded. Thank you.

Ambassador Mondale: We're putting in a lot of effort to try to get improved bidding, transparency, other kinds of rules that will allow for a responsible bidding process in Japan and we've put a lot of pressure on in the public procurement fields in the same way. The construction agreement we reached was basically trying to penetrate the famous the *dango* system here, which had as its crux a bidding system where we were just sealed out of the process. So we're very alert to that, we're working at it all the time. We're often involved in these kinds of matters trying to help assure — I know you've worked with our Embassy, I've seen you there and we'll be glad to continue to work with you on that and if you've got some suggestions about other ways we can — we'd be glad to sit down and talk with you.

Q: I'm Bob Staggert with AT&T here in Japan. Mr. Ambassador, my question is USTR Kantor has pointed out that the other G-7 members also have clear interests in seeing Japan's market opened. What are we doing with the other G-7 members to try to advance the cause of opening the market here?

Ambassador Mondale: I was trying to see if I can find another Kantor quote here to answer your question. There are discussions under way now and this has been in the press but between the United States and Britain and some of the others, because as your question states and I'd like to make this point again, we are not trying to get bilateral agreements here as against the rest of the world. When we open these markets to the extent we do, these are new markets for the world and it would be helpful if the others such as our friends in the G-7, who will privately tell you that these markets are closed, would be more helpful in stating their position. We are working — we are talking with them now about that. I don't know what will come out of it, but at this point the record is as I've described it.

Q: Mr. Mondale I'm Karen Wink Jordan and I have two jobs I'm Vice President of Wetmore & Co. and I'm senior managing director of Jordan and Associates. And my question for you is we've had a lot of talk about the different products and different segments of

industry but one of the areas that is also closed is the financial, the investments area, the soft products insurance and I'd like to hear your feedback on how you think we're going to proceed in opening those markets?

Ambassador Mondale: We have one of the baskets is insurance and we're trying to make progress there to open up the Japanese insurance market for more outside competition. We've been pressing that and then we have another basket on financial services that was scheduled under the Framework to be decided by July of this year, which is in abeyance because of the breakdown of the Framework process. At the same time there is a bill working its way through the Congress called the Fair Trade and Financial Services bill which would put in place a principle of reciprocity. In effect its prospective is not retroactive but it says, I think you are familiar with it, it says in effect that markets which prevent American financial services in certain areas from being available will have that opportunity denied in the United States to the nations — the companies from the nations which do so.

I think that bill will pass. It's designed not to — none of this is designed to protect the American market. It is designed to open up markets so that we can move toward a more open, not just trading system, but financial system. America has, I believe, the most efficient financial system in the world and in many ways now one of the solidest systems in the world. That wasn't true say ten years ago but it is now. And in this increasingly complex fast-moving world financial market with all the different products, in Japan many of those kinds of services are not permitted to be pursued here and we're pressing for that market to be opened. As I say, unfortunately the Framework basket at this point is in abeyance but we have not lost our commitment to that. I think it's a very very important element.

Q: My question is not about financial services. My question is about the general trend of government negotiation and particularly commenting on government to government policy making for example I believe that the United States is putting pressure on Japan to reduce its income taxes and I'm certainly selfishly very happy about that because I'd love to have my

taxes reduced. But it seems to me, it's a little bit offensive to me, when I think about one country demanding another country to change a policy like its internal domestic tax policy. Or perhaps in the past if Japan demanded that the United States do something about its deficit reduction. I feel that it's really important to work in areas like the case you described with Motorola, but I find it — it's just something distasteful about it — to have one government sort of impose its views on another government on domestic issues like tax policy and I'd like to know your view on that?

Ambassador Mondale: My experience has been its sometimes difficult to tell the American people to raise taxes too. That's been... You've got a very good point and there's a line there that we're trying to follow which I think is a valid line. One of the key principles in the modern world in the G-7 and so on, the World Bank and the institutions, the OECD, is the principle of harmonization that the great economies of the world ought to try to synchronize policies in a way that overall it will benefit the world's trading and financial system positively.

So that in a given year maybe one economy ought to be tightening credit and slowing down, another one ought to be expanding. If inflation is the big problem in the world at the time, maybe everybody ought to slow down a little bit. The theory is that if we do harmonize and coordinate, it will be easier for everybody and the world will benefit and it will strengthen the world trading system, GATT and so on.

So, for example, for years in the G-7 all of our friends, including Japan, used to say to the United States, for crying out loud get your deficit down. You're using up too much of the world's credit simply to fund your own fiscal deficit and I believe they were right. Now they did not tell us how to do it. They said as an overall world problem, you're out there by yourself creating a burden on the world and this is not just a matter for you alone, its raising interest rates around the world, its affecting everyone. So, we finally started to act on that.

We do not come to Japan and say here is the American tax program that you ought to put in place. That's not what we do. We say and the G-7 has said and they've said that they will

increase domestic demand. In order to do that, however, you have to increase aggregate demand by reducing the burden of taxes here. How they do that is entirely up to them. We don't get into specifics, has to be this much, this time, this long and so on. We say that it has to be strong enough to get some demand here and I think the G-7 and everyone agrees with us. So there is a line there and we try to live with.

Q: Krishen Mehta with Price Waterhouse in Tokyo. I know I speak for many of us when I say that I really admire the pro-active business stance that you have taken in the short time that you are here. It is not just a geo-political relationship its a business relationship and you have really put your foot forward in that regard. My question is this, that if you were to rewrite the pronouncements that were made yesterday, if you were to be the person who were articulating what the Japanese government would say that sends a very clear message to Kantor, to the American business community here, to the government in Japan, to the press in terms of

specific four or five items that would like for them to come forward — that you would have liked for them to come forward pre-March 31. What would those four or five items be?

Ambassador Mondale: I'll go back to the question we just asked. We have not come up with an American plan and we're not going to. We think that's for them to decide. And we have said the ball's in your court, you should come up with programs to stimulate your economy and to open up the market in the areas that you've undertaken to do so in the Framework, and set forth some quantitative and qualitative measurements that allow us to get from here to there. In other words I would refer them to the generalized objectives in the Framework as providing the basis for the resumption of talks and agreements. But in terms of specifics, we have been very careful not to get into that because we think that would be perhaps improper and I think I'll leave it there.

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