

the Japanese distribution system. For years, American retailers have sought to compete in the Japanese market. And after all, Japan has the second largest economy in the world, and its consumers are increasingly demanding wider choices for themselves and their families, lower prices, and certainly uncompromising quality.

But American companies before weren't making any headway because the regulations, particularly the large retail store law, made opening new foreign retail stores virtually impossible. From the beginning of our administration we've had a key trade policy objective, and that was to break down the barriers to the sales of U.S. goods and services.

And in 1990, we launched the Structural Impediments Initiative, or what we call SII, those talks to remove the underlying economic barriers to trade and balance of payment adjustment and to promote open markets. SII has indeed enabled us to take aim at the rules that prevent our companies from competing in Japanese markets.

And when Japan changed its large store law, it lowered a key barrier to open trade. And Japanese consumers, your buyers here in this country, and our workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from around the world. And U.S. companies will be able to operate businesses and sell their products in this huge and promising market.

And I think we're all here today because Toys-R-Us was ready to take up the challenge of SII, and it literally lived up to the old Japanese saying, "Three years on top of a stone." We have much to learn from the 3-year battle that Toys-R-Us waged to pry open the \$6 billion Japanese toy market. After all, this is the first time that a large U.S. discount store has opened here, and it's blazed a trail. And now all kinds of companies can come on in, from toy stores to high-tech outlets.

And I hope that Toys-R-Us is but the first in a long line of American retailers to locate in this great country. Greater access is an exciting idea, and it will help create more jobs in America. And the opening of the Japanese retail market gives our manufacturers, particularly the small manufactur-

ers, a conduit into markets they otherwise couldn't have touched and brings the Japanese consumer a wide choice of world-class goods.

The relationship between the United States and Japan is one of the world's most vital economic relationships. Our two nations produce over 40 percent, 40 percent of the world's gross national product, and therefore, our actions, taken separately or together, affect many countries.

We've worked together in close cooperation, for instance, at the economic summit, in the G-7 framework, and in international financial institutions to promote global growth and shared prosperity, Japan and the U.S. working for those common goals.

But we still face many challenges. And each partner must realize that it benefits from free trade and open markets. Our economic relationship is not a zero-sum game for either side. And though we're pleased at the success so far, we're not satisfied with just reaching these piecemeal trade agreements. In the cause of free and open trade, we want agreements that produce permanent improvement in access and in U.S. sales to Japanese markets and permanent improvement in the lives of Japanese consumers.

And what makes me so happy here today is that we see here the beginning of a dynamic new economic relationship, one of greater balance. There is much that we can do for the world based on a forward-looking global partnership between two great nations, two powerful economies, and two resourceful, innovative peoples. And together we will go far.

Just two last points. I will do my level best as President of the United States to preserve and strengthen the important relationship between Japan and my great country. It has a lot to do with world peace. It has a lot to do with world economic stability. It has a lot to do with two great economic and democratic countries working together, setting an example for other countries around the world. So, I want to say to the Minister and to the Prime Minister, I will do my part to keep this relationship on track.