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# FOIA MARKER

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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13597  
**Folder ID Number:** 13597-012

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**Folder Title:**  
Toys-R-Us [Kyoto, Japan] 1/7/92 [OA 6095]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>17</b>	<b>5</b>	<b>5</b>

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THE WHITE HOUSE  
WASHINGTON

December 23, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVE DEMAREST  
TONY SNOW

FROM: BETH HINCHLIFFE

SUBJECT: PROPOSED REMARKS FOR RIBBON-CUTTING CEREMONY AT  
TOYS-R-US, NARA, JAPAN

I. SUMMARY

On Tuesday, January 7, 1992 at 3:40 p.m. you will brief remarks to an audience of 200 members of the Kansai region American business community at the ribbon cutting ceremony for Toys-R-Us in Nara, Japan.

II. DISCUSSION

Your remarks (approximately 8 minutes / cards) focus on the success of the Structural Impediments Initiative, and recognize the arrival of Toys-R-Us in Japan as a victory in eliminating distribution barriers.

Your remarks challenge the government of Japan to continue opening markets and remove barriers to trade.

(Hinchliffe/Bunton)  
December 20, 1991 4 p.m.  
TOYS Draft Three

**PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN**

You know, when our grandchildren heard about this trip to the Far East, they figured the highlight would be today -- stopping at Toys-"R"-Us. I'll just have to tell them I couldn't buy them anything because Barbara's cut my kuzu kai -- my allowance. I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It really is a privilege to be here because this store isn't just an impressive sight -- it's also an impressive symbol. What we see is success -- for Japanese consumers as well as ourselves -- in the effort to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large Retail Store Law", essentially made opening new foreign retail stores impossible. As a result, from the beginning of this administration we had a key trade policy objective -- to break down barriers to the sales of US goods and services. We launched the Structural Impediments Initiative, or SII, to remove the underlying economic barriers to trade and balance of payments adjustment -- and to promote open

markets. SII has enabled us to take aim at the rules that prevent our companies from competing in Japanese markets.

SII offers the opportunity to take a great step forward for expanded trade. When Japan changed its large store law it lowered a key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices and quality goods from around the world. US companies will be able to operate businesses and sell their products in this huge and promising market.

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribution ideas to major world markets: it's committed over \$100 million for 20 stores in the first phase of its Japanese operation.

We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the Japanese market. After all, this is the first time a large US discount store has opened here: it's blazed the way for all kinds of companies, from toy stores to high tech.

I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. Greater access is an exciting idea. It will help create more jobs in America. The opening of the Japanese retail market gives our manufacturers, particularly small ones a conduit into markets they otherwise couldn't have touched; and brings the Japanese consumer a choice of world-class goods.

SII has helped both our lands. We've learned how government can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other.

The interrelationship between the United States and Japan is the single most important bilateral economic relationship in the world. Between our two nations we produce over 40% of the world's gross national product. 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.

But we still face many challenges. 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. Each player must contribute to make SII effective -- it's an important way to head off protectionism. We must build on past successes with new commitments by each side to make free trade a reality -- a two-way street.

Though we're pleased at the success so far, we're not satisfied with just reaching piece-meal trade agreements. In the cause of free and open trade, we want agreements that produce a permanent improvement in access and in U.S. sales to Japanese markets -- and permanent improvement in the lives of Japanese consumers. We will monitor closely the implementation of trade agreements.

We have here today the beginning of a dynamic new relation-

ship. There is much we can do for the world, based on a forward-looking partnership between two great nations, two powerful economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

# # #

## WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/6/92 ACTION/CONCURRENCE/COMMENT DUE BY: \_\_\_\_\_

PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
SUBJECT: KYOTO, JAPAN

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

THE WHITE HOUSE  
WASHINGTON

December 23, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVE DEMAREST  
TONY SNOW

FROM: BETH HINCHLIFFE

SUBJECT: PROPOSED REMARKS FOR RIBBON-CUTTING CEREMONY AT  
TOYS-R-US, NARA, JAPAN

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Your remarks challenge the government of Japan to continue opening markets and remove barriers to trade.

(Hinchliffe/Bunton)  
December 20, 1991 4 p.m.  
TOYS Draft Three

**PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN**

--You know, when our grandchildren heard about this trip to the Far East, they figured the highlight would be today -- stopping at Toys-"R"-Us. I'll just have to tell them I couldn't buy them anything because Barbara's cut my kozo kai -- my allowance. I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It really is a privilege to be here because this store isn't just an impressive sight -- it's also an impressive symbol. What we see is success -- for Japanese consumers as well as ourselves -- in the effort to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large Retail Store Law", essentially made opening new foreign retail stores impossible. As a result, from the beginning of this administration we had a key trade policy objective -- to break down barriers to the sales of US goods and services. We launched the Structural Impediments Initiative, or SII, to remove the underlying economic barriers to trade and balance of payments adjustment -- and to promote open

2

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SII offers the opportunity to take a great step forward for expanded trade. When Japan changed its large store law it lowered a key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices and quality goods from around the world. US companies will be able to operate businesses and sell their products in this huge and promising market.

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3

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TOKYO

SAT 04 JAN 92 23:10

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AIR FORCE ONE

SUN 05 JAN 92 03:48

PG.06

4

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(Hinchliffe/Bunton)  
December 20, 1991 4 p.m.  
TOYS Draft Three

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TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN**

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# # #

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

RESPONSE:

December 20, 1991

NSC concurs with changes as noted.

*Brent Scowcroft*  
Brent Scowcroft

cc: Phillip Brady

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

01 DEC 18 P2:PS PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren heard about this trip, they figured the highlight would be today -- stopping at Toys-"R"-Us. \\ I'll just have to tell them I couldn't buy them anything because Barbara's cut my <sup>allowance</sup> [kozu kai].

Mostly American audience will not know this

Today, I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It's really a privilege to be here, because this store is not only an impressive sight -- it's also an impressive symbol.

What we see is victory <sup>for Japanese consumers, as well as ourselves,</sup> in the battle to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large Store Law", essentially made opening new foreign retail stores impossible. As a result, from the beginning of this administration we had a key trade policy objective -- to break down [Japan's] barriers to the sales of US goods and services. We launched the Structural Impediments Initiative, taking aim at the rules that prevent our companies from competing in Japanese markets.

remember you're in their country

SII provided a great step for trade, for our economies, and

for the world. When Japan <sup>2</sup> ~~agreed~~ <sup>undertook</sup> to ~~liberalize its distribution system~~ <sup>change its large store law,</sup> it lowered the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from across the world. US companies in turn will be able to <sup>operate businesses and</sup> sell their products in this huge and promising market.

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribution ideas to major world markets -- it's committed over \$100m for 20 stores during the first phase of its Japanese operation.

We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains. After all, this is the first time a large US discount store has opened here.

I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. This is an exciting idea. It <sup>could</sup> ~~will~~ help create more jobs in America -- <sup>perhaps</sup> 40,000 new jobs by the end of this decade. The opening of the Japanese market gives manufacturers, particularly small ones, a conduit into markets they otherwise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, [1/3 of them imports.]

SII has helped both our lands. We've learned how government

*This begs question - how much from us?*

*Needs reformer  
he-tech  
businesses in US  
Japan - we're not  
just selling  
toys to the  
Japanese as  
they did to us  
in the 50's*

*not from  
U.S.*

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other [-- the Japanese essence of "gamman"].

*gamman means patience and forbearance - not*

The union between the United States and Japan is the single most important bilateral economic relationship in the world. The actions of our nations, made separately or together, affect many countries. We've worked together in close cooperation -- for instance, at the Economic Summit, and within the G-7 framework.

But we still face many challenges. 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. Each player must be vigilant about SII: it's an important way to head off protectionism. We also must build on <sup>past successes with new commitments</sup> ~~it~~ to make free trade a reality, *a two-way street,*

And though we're pleased at the success so far, we in the US are not satisfied with just reaching trade agreements. We want agreements that produce a permanent improvement in access to <sup>permanent improvement in the lives of Japanese consumers, and</sup> Japanese markets, in the cause of free and open trade. We will continue to monitor closely the implementation of trade agreements.

We have here today the beginning of a dynamic new relationship. There is much we can do for the world, based on a forward-looking merger of two great nations, two powerful economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

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**WHITE HOUSE STAFFING MEMORANDUM**

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE <i>nlc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT <i>Bartley</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY <i>vlem nlc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

*— MASTER —*

RESPONSE:

*INSERT "A" +  
NSC COMMENTS  
ATTACHED.*

PHILLIP D. BRADY  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

31 DEC 18 P2: PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren  
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-- stopping at Toys-"R"-Us. \\ I'll just have to tell them I  
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Today, I was going to mention America's largest national  
exports to Japan -- but enough about Konishiki and Ake Bono. (Logic)

It's really a privilege to be here, because this store is  
not only an impressive sight -- it's also an impressive symbol.  
What we see is <sup>Success</sup> ~~victory~~ <sup>effort</sup> ~~in the battle~~ to eliminate a major barrier  
in the Japanese distribution system.

For years, American retailers have sought to compete in the  
Japanese market. After all, Japan has the second largest economy  
in the world, and its consumers increasingly demand wider  
choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex  
Japanese regulations, particularly the "Large <sup>Retail (Commerce)</sup> Store Law",  
essentially made opening new foreign retail stores impossible.  
As a result, from the beginning of this administration we had a  
key trade policy objective -- to break down Japan's barriers to  
the sales of US goods and services. [ \* Insert A  
In the SII, we took  
We launched the Structural  
Impediments Initiative, ~~taking aim~~ at the rules that prevent our  
companies from competing in Japanese markets.

~~SII provided a great step for trade, for our economies, and~~

→ SII objectives were broader than international  
access.

~~for the world.~~ When Japan agreed to liberalize its distribution system it lowered <sup>a (OCA)</sup> the key barrier. Japanese consumers and Ameri-

Not if toys can workers stand to reap the benefits. Japanese consumers will <sup>aren't made in</sup> get stores with wider selections, more competitive prices, and <sup>the USA.</sup> quality goods from <sup>around (OCA)</sup> ~~across~~ the world. US companies <sup>(OCA)</sup> ~~in turn~~ will be able to sell their products in this huge and promising market.

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribu- tion ideas to major world markets -- it's committed over \$100million <sup>(Rog)</sup> for 20 stores during the first phase of its Japanese operation.

Should we get a little tougher on the Japanese? Ask them to do more to open markets. <sup>(Rogich)</sup> We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains ~~X~~. After all, this is the first time a large US discount store has opened here. I hope Toys-"R"-Us is the first in a long line of US <sup>Greater access for U.S. retailers (DoCom.)</sup> retailers to locate in Japan. ~~This~~ is an exciting idea. It will help create more jobs in America -- 40,000 new jobs by the end of this decade. The opening of the Japanese <sup>retail (com)</sup> market gives <sup>our</sup> manufacturer- ers, particularly small ones, a conduit into markets they other- wise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, 1/3 of them imports.

Gen. comment: w/o knowing source or methodology cannot attest to validity. <sup>(OCA)</sup>

SII has helped both our lands. We've learned how government

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other -- the Japanese essence of "gamman".

<sup>interrelationship (OMB)</sup> The ~~union~~ between the United States and Japan <sup>have (CIA)</sup> is the single

<sup>more on fairness in trading we understand it + now the Japanese people -- out w/o fairness there could be a backlash, etc. (Regich)</sup> most important bilateral economic relationship in the world. The actions of our nations, <sup>taken (CIA)</sup> ~~made~~ separately or together, affect many countries. We've worked together in close cooperation -- for

<sup>in (Treas)</sup> instance, at the Economic Summit, ~~and within~~ the G-7 framework, <sup>and in international</sup>

But we still face many challenges. Each partner must realize <sup>financial institutions (DoTreas)</sup> it benefits from free trade and open markets: our economic rela-

tionship is not a zero-sum game for either side. Each player must

<sup>contribute to make effective: (Treas)</sup> be vigilant about SII: <sup>(Treas)</sup> it's an important way to head off protectionism. We ~~also~~ <sup>SII with new commitments by each side. (Treas)</sup> must build on ~~it~~ to make free trade a reality.

And though we're pleased at the success so far, we in the US are not satisfied with just reaching <sup>pull-meal (Treas)</sup> trade agreements. We want agreements that produce a permanent improvement <sup>and US sales (Com.)</sup> in access to Japanese markets, in the cause of free and open trade. We will continue to monitor closely the implementation of trade agreements.

We have here today the beginning of a dynamic new relationship. There is much we can do for the world, based on a forward-looking <sup>interlinking (OMB)</sup> ~~merger~~ <sup>partnership between (NSC)</sup> of two great nations, two powerful <sup>(Commerce)</sup> economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

# # #

→ Between our two nations, we produce over 40% of the world's gross national product. (DoTreas)

Treasury

Toys are Us Speach. Page 1 last full paragraph

.... We launched the structural impedements initiative, or SII, to remove the underlying economic barriers to trade and balance of payments adjustment, and to promote open markets. SII has enabled us to take aim at the rules that prevent our companies from competing in Japanese markets.

SII offers the opportunity to takfor a great step forward for expanded trade .....

INSERT  
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DEC 20 AIO: 13

WHITE HOUSE STAFFING MEMORANDUM

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

RESPONSE:

NSC concurs with changes as noted.

Brent Scowcroft

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

cc: Phillip Brady

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

31 DEC 18 P2: PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren heard about this trip, they figured the highlight would be today -- stopping at Toys-"R"-Us. \\ I'll just have to tell them I couldn't buy them anything because Barbara's cut my <sup>allowance</sup> [kozu kai].

Mostly American audience will not know

Today, I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It's really a privilege to be here, because this store is not only an impressive sight -- it's also an impressive symbol. <sup>for Japanese consumers, as well as ourselves,</sup>  
What we see is victory in the battle to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large Store Law", essentially made opening new foreign retail stores impossible. As a result, from the beginning of this administration we had a key trade policy objective -- to break down [Japan's] barriers to the sales of US goods and services. We launched the Structural Impediments Initiative, taking aim at the rules that prevent our companies from competing in Japanese markets.

remember you're in their country

SII provided a great step for trade, for our economies, and

for the world. When Japan <sup>undertook</sup> ~~agreed~~ <sup>change its large store law,</sup> to ~~liberalize its distribution~~ system it lowered the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from across the world. US companies in turn will be able to <sup>operate businesses and</sup> sell their products in this huge and promising market.

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribution ideas to major world markets -- it's committed over \$100m for 20 stores during the first phase of its Japanese operation.

We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains. After all, this is the first time a large US discount store has opened here.

I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. This is an exciting idea. It <sup>could</sup> ~~will~~ help create more jobs in America <sup>perhaps</sup> -- 40,000 new jobs by the end of this decade. The opening of the Japanese market gives manufacturers, particularly small ones, a conduit into markets they otherwise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, [1/3 of them imports.]

SII has helped both our lands. We've learned how government

*This begs question - how much from us?*

*Needs reference  
to text  
in US  
economics - we're not  
Japan - we're not  
just selling  
toys to the  
Japanese as  
they did to us  
in the 50's*

*not from  
U.S.*

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other [-- the Japanese essence of "gamman"].

*gamman means patience and forbearance not*

The union between the United States and Japan is the single most important bilateral economic relationship in the world. The actions of our nations, made separately or together, affect many countries. We've worked together in close cooperation -- for instance, at the Economic Summit, and within the G-7 framework.

But we still face many challenges. 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. Each player must be vigilant about SII: it's an important way to head off protec-

tionism. We also must build on <sup>past successes with new commitments</sup> ~~it~~ to make free trade a reality, a *two-way street*.

And though we're pleased at the success so far, we in the US are not satisfied with just reaching trade agreements. We want agreements that produce a permanent improvement in access to <sup>permanent improvement in the lives of Japanese consumers, and</sup> Japanese markets, in the cause of free and open trade. We will continue to monitor closely the implementation of trade agreements.

We have here today the beginning of a dynamic new relationship. There is much we can do for the world, based on a forward-looking merger of two great nations, two powerful economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

# # #

**NATIONAL SECURITY COUNCIL  
EXECUTIVE SECRETARIAT STAFFING DOCUMENT**

TIME STAMP

SYSTEM LOG NUMBER

9254

ACTION OFFICER: 9-49 PAAL

DUE: THURS 12/19 9 PM

- Prepare Memo For Scowcroft/Howe
- Prepare Memo For Brady
- Prepare Memo

SCOWCROFT

- Appropriate Action
  - Prepare Memo For Sittmann
- to: SNOW cc: BRADY

**CONCURRENCES/COMMENTS\***

PHONE\* to action officer at ext.

Concur	FYI		Concur	FYI		Concur	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	Andricos	<input type="checkbox"/>	<input type="checkbox"/>	Hutchings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Popadluk
<input type="checkbox"/>	<input type="checkbox"/>	Barth	<input type="checkbox"/>	<input type="checkbox"/>	Jones	<input type="checkbox"/>	<input type="checkbox"/>	Pryce
<input type="checkbox"/>	<input type="checkbox"/>	Beers	<input type="checkbox"/>	<input type="checkbox"/>	Kansteiner	<input type="checkbox"/>	<input type="checkbox"/>	Rademaker
<input type="checkbox"/>	<input type="checkbox"/>	Burns	<input type="checkbox"/>	<input type="checkbox"/>	Lampley	<input type="checkbox"/>	<input type="checkbox"/>	Riedel
<input type="checkbox"/>	<input type="checkbox"/>	Canas	<input type="checkbox"/>	<input type="checkbox"/>	Lowenkron	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rostow
<input type="checkbox"/>	<input type="checkbox"/>	Carney	<input type="checkbox"/>	<input type="checkbox"/>	McNamara	<input type="checkbox"/>	<input type="checkbox"/>	Stettner
<input type="checkbox"/>	<input type="checkbox"/>	Chellis	<input type="checkbox"/>	<input type="checkbox"/>	McShane	<input type="checkbox"/>	<input type="checkbox"/>	Tilley
<input type="checkbox"/>	<input type="checkbox"/>	Davis	<input type="checkbox"/>	<input type="checkbox"/>	Melby	<input type="checkbox"/>	<input type="checkbox"/>	Tobey
<input type="checkbox"/>	<input type="checkbox"/>	Deal	<input type="checkbox"/>	<input type="checkbox"/>	Menan	<input type="checkbox"/>	<input type="checkbox"/>	Van Eron
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<input type="checkbox"/>	<input type="checkbox"/>	Gordon	<input type="checkbox"/>	<input type="checkbox"/>	O'Leary	<input type="checkbox"/>	<input type="checkbox"/>	Whitley
<input type="checkbox"/>	<input type="checkbox"/>	Gompert	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Paal	<input type="checkbox"/>	<input type="checkbox"/>	Working
<input type="checkbox"/>	<input type="checkbox"/>	Haass	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Patterson	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Holl	<input type="checkbox"/>	<input type="checkbox"/>	Pavitt	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Hewatt	<input type="checkbox"/>	<input type="checkbox"/>	Pilling	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Hull	<input type="checkbox"/>	<input type="checkbox"/>	Poneman	<input type="checkbox"/>	<input type="checkbox"/>	

**INFORMATION**

- Sittmann
- Scowcroft (advance)
- Hill
- Howe (advance)
- Exec Sec Desk
- Secretariat

**COMMENTS**

Logged By WJA

Return to Secretariat  
379 OEOB

**WHITE HOUSE STAFFING MEMORANDUM**

91 DEC 20 P1:02

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

RESPONSE:

*See comments. Thanks.*

*Elizabeth Lutting  
 12/19/91*

PHILLIP D. BRADY  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

01 DEC 18 P 2:05 PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren heard about this trip, they figured the highlight would be today -- stopping at Toys-"R"-Us. \\ I'll just have to tell them I couldn't buy them anything because Barbara's cut my kozu kai. \\

Today, I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It's really a privilege to be here, because this store is not only an impressive sight -- it's also an impressive symbol.

What we see is victory in the battle to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large <sup>Retail (Commerce)</sup> Store Law", essentially made opening new foreign retail stores impossible.

As a result, from the beginning of this administration we had a key trade policy objective -- to break down Japan's barriers to

the sales of US goods and services. We launched the Structural Impediments Initiative, taking aim at the rules that prevent our companies from competing in Japanese markets.

SII provided a great step for trade, for our economies, and

(Treasury)  
See Page 1  
Insert attack in back

(Treasury) [Not if toys aren't made in the USA]

for the world. When Japan agreed to liberalize its distribution system it lowered <sup>a</sup> the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from <sup>around</sup> ~~across~~ the world. US companies ~~that~~ will be able to sell their products in this huge and promising market.

of Japan's liberalized distribution system (USTR)

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribution ideas to major world markets -- it's committed over \$100m for 20 stores during the first phase of its Japanese operations.

We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains. After all, this is the first time a large US discount store has opened here.

(CCA)

I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. <sup>Greater access for U.S. retailers</sup> ~~This~~ is an exciting idea. It will help create more jobs in America -- 40,000 new jobs by the end of this decade. The opening of the Japanese market gives <sup>retail</sup> our manufacturers, particularly small ones, a conduit into markets they otherwise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, 1/3 of them imports.

(Commerce)

(Commerce)  
General comment: without knowing source or methodology cannot attest to validity.

SII has helped both our lands. We've learned how government

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other -- the Japanese essence of "gamman".

The ~~union between the~~ United States and Japan <sup>have</sup> ~~is~~ the single most important bilateral economic relationship in the world. <sup>(insert into book or page)</sup> The actions of our nations, <sup>taken</sup> ~~are~~ separately or together, affect many countries. We've worked together in close cooperation -- for instance, at the Economic Summit, <sup>in</sup> ~~and within~~ the G-7 framework, <sup>and in international</sup>

But we still face many challenges. Each partner must realize <sup>financial institution</sup> that it benefits from free trade and open markets: our economic rela-

tionship is not a zero-sum game for either side. Each player must <sup>contribute to make</sup> ~~be vigilant about~~ <sup>effective:</sup> SII it's an important way to head off protec- <sup>(Treasury)</sup> tionism. We ~~also~~ must build on ~~it~~ to make <sup>open markets</sup> ~~free trade~~ a reality. <sup>(USIT)</sup>

And though we're pleased at the success so far, we in the US are not satisfied with just reaching <sup>piece-meal</sup> trade agreements. We want <sup>(Commerce and U.S. sales)</sup> agreements that produce a permanent improvement in access to Japanese markets, in the cause of free and open trade. We will <sup>all of our bilateral</sup> ~~continue~~ to monitor closely the implementation of <sup>(USIT)</sup> trade agreements.

We have here today the beginning of a dynamic new relationship. There is much we can do for the world, based on a forward-looking <sup>alliance</sup> ~~merger~~ of two great nations, two powerful economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

# # #

<sup>(insert)</sup> Between our two Nations, we produce over 40% of the world's <sup>national</sup> Gross <sup>(Treasury)</sup> product.

(Treasury)

SII is really more about agree. Japanese are sensitive to that fact. (USIT)

Treasury

Toys are Us Speach. Page 1 last full paragraph

.... We launched the structural impedements initiative, or SII, to remove the underlying economic barriers to trade and balance of payments adjustment, and to promote open markets. SII has enabled us to take aim at the rules that prevent our companies from competing in Japanese markets.

SII offers the opportunity to takfor a great step forward for expanded trade .....

**WHITE HOUSE STAFFING MEMORANDUM**

91 DEC 20 A 7:58

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

RESPONSE:

*See comments. Thanks.*  
*EL*  
*Elizabeth Luttrig*  
*12/19/91*

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

01 DEC 18 P2:5  
PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren heard about this trip, they figured the highlight would be today -- stopping at Toys-"R"-Us. \\ I'll just have to tell them I couldn't buy them anything because Barbara's cut my kozu kai. \\

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**What we see is victory in the battle to eliminate a major barrier in the Japanese distribution system.**

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large <sup>Retail (Commerce)</sup> Store Law", essentially made opening new foreign retail stores impossible.

As a result, from the beginning of this administration we had a key trade policy objective -- to break down Japan's barriers to

the sales of US goods and services. \* We launched the Structural Impediments Initiative, taking aim at the rules that prevent our companies from competing in Japanese markets.

SII provided a great step for trade, for our economies, and

(Treasury)  
See Page 1  
Insert attached in back

(Treasury)  
[Not if toys aren't made in the USA]

for the world. When Japan agreed to liberalize its distribution system it lowered the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from ~~across~~<sup>around</sup> the world. US companies ~~in turn~~ will be able to sell their products in this huge and promising market.

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I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. Greater access for U.S. retailers (Commerce) This is an exciting idea. It will help create more jobs in America -- 40,000 new jobs by the end of this decade. The opening of the Japanese market gives <sup>retail</sup> our manufacturers, particularly small ones, a conduit into markets they otherwise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, 1/3 of them imports.

SII has helped both our lands. We've learned how government

(Commerce)  
General comment: without knowing source or methodology cannot attest to validity.

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other -- the Japanese essence of "gamman".

(Treasury)

The ~~union between the~~ United States and Japan <sup>have</sup> ~~is~~ the single most important bilateral economic relationship in the world. <sup>(insert some book for it pay)</sup> The actions of our nations, <sup>taken</sup> ~~made~~ separately or together, affect many countries. We've worked together in close cooperation -- for instance, at the Economic Summit, <sup>in</sup> ~~and within~~ the G-7 framework, <sup>and in international</sup>

But we still face many challenges. Each partner must realize <sup>financial institutions</sup> that it benefits from free trade and open markets: our economic relationship is not a zero-sum game for either side. Each player must contribute to make be vigilant about SII <sup>effective:</sup> it's an important way to head off protectionism. We ~~also~~ must build on ~~it~~ <sup>SII with new commitments by each side</sup> to make free trade a reality.

And though we're pleased at the success so far, we in the US are not satisfied with just reaching <sup>piece-meal</sup> trade agreements. We want <sup>(Commerce and U.S. sales)</sup> agreements that produce a permanent improvement in access to Japanese markets, in the cause of free and open trade. We will continue to monitor closely the implementation of trade agreements.

We have here today the beginning of a dynamic new relationship. There is much we can do for the world, based on a forward-looking <sup>alliance</sup> ~~merger~~ of two great nations, two powerful economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

# # #

<sup>(insert)</sup> Between our two Nations, we produce over 40% of the world's <sup>national</sup> Gross <sup>(Treasury)</sup> product.

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER ROSE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

RESPONSE:

*OK - a few thoughts to [signature]*  
*[signature] for SR*

91 DEC 19 2:58 PM '91

PHILLIP D. BRADY  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

01 DEC 18 P2:PS PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren  
heard about this trip, <sup>to the Far East / to Japan?</sup> they figured the highlight would be today  
-- stopping at Toys-"R"-Us. \\ I'll just have to tell them I  
couldn't buy them anything because Barbara's cut my kozo kai. \\

Today, I was going to mention America's largest national  
exports to Japan -- but enough about Konishiki and Ake Bono. \\

It's really a privilege to be here, because this store is  
not only an impressive sight -- it's also an impressive symbol.

**What we see is victory in the battle to eliminate a major barrier  
in the Japanese distribution system.**

For years, American retailers have sought to compete in the  
Japanese market. After all, Japan has the second largest economy  
in the world, and its consumers increasingly demand wider  
choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex  
Japanese regulations, particularly the "Large Store Law",  
essentially made opening new foreign retail stores impossible.  
As a result, from the beginning of this administration we had a  
key trade policy objective -- **to break down Japan's barriers to  
the sales of US goods and services.** We launched the Structural  
Impediments Initiative, taking aim at the rules that prevent our  
companies from competing in Japanese markets.

SII provided a great step for trade, for our economies, and

for the world. When Japan agreed to liberalize its distribution system it lowered the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from across the world. US companies in turn will be able to sell their products in this huge and promising market.

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribution ideas to major world markets -- it's committed over \$100million for 20 stores during the first phase of its Japanese operation.

We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains. After all, this is the first time a large US discount store has opened here. I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. This is an exciting idea. It will help create more jobs in America -- 40,000 new jobs by the end of this decade. The opening of the Japanese market gives manufacturers, particularly small ones, a conduit into markets they otherwise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, 1/3 of them imports.

SII has helped both our lands. We've learned how government

*Should we get a little tougher on the Japanese? Ask them to do more to open markets.*

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other -- the Japanese essence of "gamman".

*Move on Fairness. as in trading. We understand it and needs the Japanese people -- but without fairness there could be a backlash, etc.*

The union between the United States and Japan is the single most important bilateral economic relationship in the world. The actions of our nations, made separately or together, affect many countries. We've worked together in close cooperation -- for instance, at the Economic Summit, and within the G-7 framework.

But we still face many challenges. **Each partner must realize it benefits from free trade and open markets:** our economic relationship is not a zero-sum game for either side. **Each player must be vigilant about SII:** it's an important way to head off protectionism. We also must build on it to make free trade a reality.

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# # #

THE WHITE HOUSE

WASHINGTON

91 DEC 19 P4: 41

December 19, 1991

MEMORANDUM FOR TONY SNOW

FROM: RONALD E. VONLEMBKE ~~RM~~  
ASSISTANT COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: Toys-R-Us, Kyoto, Japan --  
Tuesday, January 7, 1992

Pursuant to Phillip Brady's request, Counsel's Office has reviewed the above-referenced matter. We have no objection to the proposed presidential remarks.

cc: Phillip D. Brady


**WHITE HOUSE STAFFING MEMORANDUM**

01 DEC 20 4 8: 00

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PORTER ROSE</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 P.M., THURSDAY, DECEMBER 19, with a copy to this office. Thank you.

RESPONSE:

*See comments*

PHILLIP D. BRADY  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

01 DEC 18 P2:00 PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren heard about this trip, they figured the highlight would be today -- stopping at Toys-"R"-Us. \\ I'll just have to tell them I couldn't buy them anything because Barbara's cut my kozo kai. \\

Today, I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It's really a privilege to be here, because this store is not only an impressive sight -- it's also an impressive symbol.

What we see is victory in the battle to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large Store Law", essentially made opening new foreign retail stores impossible. As a result, from the beginning of this administration we had a key trade policy objective -- to break down Japan's barriers to the sales of US goods and services. We launched the Structural Impediments Initiative, taking aim at the rules that prevent our companies from competing in Japanese markets.

SII provided a great step for trade, for our economies, and

for the world. When Japan agreed to liberalize its distribution system it lowered the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from across the world. US companies in turn will be able to sell their products in this huge and promising market.

We're here today because Toys-"R"-Us was ready to take up the challenge of SII. It lived up to that old Japanese saying: "The lantern-bearer should go ahead." This lantern-bearer is a great example of an aggressive, innovative American company. It leads by risking its own capital in order to bring new distribution ideas to major world markets -- it's committed over \$100m for 20 stores during the first phase of its Japanese operation.

We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains. After all, this is the first time a large US discount store has opened here.

I hope Toys-"R"-Us is the first in a long line of US retailers to locate in Japan. This is an exciting idea. It will help create more jobs in America -- 40,000 new jobs by the end of this decade. The opening of the Japanese market gives manufacturers, particularly small ones, a conduit into markets they otherwise couldn't have touched. It also brings the Japanese consumer a choice of world-class goods -- Toys-"R"-Us, for instance, will offer 8,000 different products, 1/3 of them imports.

SII has helped both our lands. We've learned how government

can change the rules of trade and investment, in order to promote competition. And we've come to understand better both nations' economies -- and both nations' people. After all, we have much to learn from each other -- the Japanese essence of "gamman".

The <sup>interrelationship</sup> ~~union~~ between the United States and Japan is the single most important bilateral economic relationship in the world. The actions of our nations, made separately or together, affect many countries. We've worked together in close cooperation -- for instance, at the Economic Summit, and within the G-7 framework.

But we still face many challenges. **Each partner must realize it benefits from free trade and open markets:** our economic relationship is not a zero-sum game for either side. **Each player must be vigilant about SII:** it's an important way to head off protectionism. We also must build on it to make free trade a reality.

And though we're pleased at the success so far, we in the US are not satisfied with just reaching trade agreements. We want agreements that produce a **permanent improvement** in access to Japanese markets, in the cause of free and open trade. We will continue to monitor closely the implementation of trade agreements.

We have here today the beginning of a dynamic new relationship. There is much we can do for the world, based on a forward-looking <sup>interlinking</sup> ~~merger~~ of two great nations, two powerful economies, and two resourceful and innovative peoples. Together, we will go far. God bless our lands, and the dreams we share.

# # #

Howard  
7/4/657

Howard  
7/4/657

THE WHITE HOUSE  
WASHINGTON

December 19, 1991

MEMORANDUM FOR TONY SNOW

FROM: ROGER B. PORTER *ABP*  
SUBJECT: Presidential Remarks: Toys-R-Us, Kyoto

We have reviewed the attached remarks and have noted several suggested changes on the draft.

Please let us know if you have any questions or if we may help in any other way.

cc: Phillip D. Brady

WHITE HOUSE STAFFING MEMORANDUM

STEVE

DATE: December 18, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: THURSDAY, 12/19, 4:00 P.M.

PRESIDENTIAL REMARKS: TOYS-R-US, KYOTO, JAPAN  
TUESDAY, JANUARY 7, 1991

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER ROSE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

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RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

31 DEC 18 P2: PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN

Thank you. I must tell you that when our grandchildren heard about this trip, they figured the highlight would be today -- stopping at Toys-"R"-Us. \\ I'll just have to tell them I couldn't buy them anything because Barbara's cut my kuzu kai. \\

Today, I was going to mention America's largest national exports to Japan -- but enough about Konishiki and Ake Bono. \\

It's really a privilege to be here, because this store is not only an impressive sight -- it's also an impressive symbol.

What we see is <sup>Success</sup> victory in the <sup>effort</sup> battle to eliminate a major barrier in the Japanese distribution system.

For years, American retailers have sought to compete in the Japanese market. After all, Japan has the second largest economy in the world, and its consumers increasingly demand wider choices, lower prices, and uncompromising quality.

But American companies couldn't make any headway. Complex Japanese regulations, particularly the "Large Store Law", essentially made opening new foreign retail stores impossible. As a result, from the beginning of this administration we had a key trade policy objective -- to break down Japan's barriers to the sales of US goods and services. We launched the Structural Impediments Initiative, <sup>In the SII, we took</sup> taking aim at the rules that prevent our companies from competing in Japanese markets.

SII provided a great step for trade, for our economies, and

*SII objectives were broader than USFTA access.*

✓ for the world. When Japan agreed to liberalize its distribution system it lowered <sup>a</sup> the key barrier. Japanese consumers and American workers stand to reap the benefits. Japanese consumers will get stores with wider selections, more competitive prices, and quality goods from across the world. US companies in turn will be able to sell their products in this huge and promising market. ✓

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We have much to learn from the three-year battle Toys-"R"-Us waged to pry open the \$6 billion Japanese toy market. We can learn more as it confronts the obstacles that remains~~x~~. After all, this is the first time a large US discount store has opened here. ✓

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# # #

(Hinchliffe/Bunton)  
December 18, 1991 2 p.m.  
TOYS Draft Two

**PRESIDENTIAL REMARKS: TOYS-R-US  
TUESDAY, JANUARY 7, 1992  
KYOTO, JAPAN**

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# # #

*3 read FYI*

POINTS TO BE MADE AT TOYS R US

- o Toys R Us is a familiar name to anyone with children in the United States and now to families in more than ten other countries as well.
- o Toys R Us has the global orientation that is key to success in today's global marketplace.
- o Toys R Us now has 126 stores in ten countries, compared to 497 stores in the US. Its overseas sales went from zero in 1984 to over one billion dollars this year.
- o Toys R Us years ago recognized that Japan, the second biggest economy in the world, with consumers who increasingly are demanding wider choices and lower prices without any compromise in quality, is a prime market.
- o The company made no headway in opening here, though, because of complicated government regulations that made opening new stores -- especially by foreign retailers who could not rely on existing ties to Japan's powerful local interest groups or business establishment -- all but impossible.
- o Through the Structural Impediments Initiative, SII, Japan undertook to liberalize its distribution system. The goal: to increase imports by cutting the costs of bringing them to market, and by increasing the number of outlets that handle imports.
- o Japanese consumers and American workers benefit. Japanese consumers, because foreign retailers such as Toys R Us bring wider selections, competitive prices, and quality merchandise from all over the world. American workers, because in the case of Toys R Us alone, its overseas sales of US-made toys will generate new jobs for 40,000 American toymakers by the year 2000.
- o The focus of SII is broad and important: It aims to clear away the structural features of our economies which obstruct trade and investment. It has produced important results for US exporters and Japanese consumers. Through SII, the US and Japan have come to understand each others' economies better. We must continue the effort.
- o Government can help change the rules of trade and investment to promote competition, benefitting workers and consumers alike. The US Government worked closely with companies like Toys R Us to learn what the problems were, and together we devised solutions.
- o Toys R Us is on a path that I hope many others will follow. Japan is changing -- the American companies here know that -- and there is opportunity for our workers and firms.

Photocopy-Preservation