

THE WHITE HOUSE

WASHINGTON
May 30, 1995

Dear Mr. Leader:

Thank you for your support of our efforts to open Japan's market to foreign competitive autos and auto parts. In this, as in many other trade issues, bipartisan leadership signals our common resolve to stand firm for the benefit of American workers and companies.

The disparity between the United States and Japanese auto markets is clear. The United States is open to foreign cars, which account for 30 percent of our market -- 23 percent in Japanese cars alone. In Japan, all foreign auto manufacturers account for only 4 percent of the market, and the United States has only 1.6 percent. The same is true in the auto parts sector, where the foreign share of the U.S. market is 32.5 percent but only 2.6 percent in Japan.

No industry is more important to the U.S. economy than autos and auto parts. It employs 2.5 million Americans, directly and through its suppliers, and is the largest consumer of a number of other key products, including aluminum, steel, rubber, flat glass and semiconductors. Opening markets for autos and auto parts has a ripple effect throughout our entire economy.

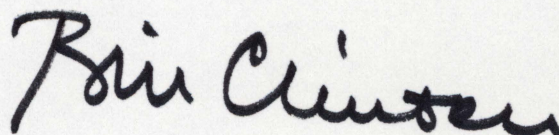
My Administration has made good faith efforts to achieve that goal through negotiations over the past 20 months. We have offered serious, market-oriented proposals, but unfortunately the U.S. and Japan remain far apart on all key issues. As a result, I have embarked upon a two-pronged strategy -- utilizing both the World

2

Trade Organization and U.S. trade law -- to open Japan's market. I continue to hope that we can resolve our concerns through negotiations, but I am prepared to impose sanctions if that proves necessary.

The United States and Japan have been and will remain the closest of allies with a wide range of shared interests. As we work through our differences over autos and auto parts, I look forward to your continued support.

Sincerely,

A handwritten signature in black ink that reads "Bob Cinton". The signature is written in a cursive, slightly slanted style.

The Honorable Robert Dole
Majority Leader
United States Senate
141 Hart Senate Office Building
Washington, D.C. 20515-1601