

“The National Image and Foreign Policy Vision Aimed for by the DPJ”

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Good afternoon. As many of you know, the September 11th general election in Japan was not a good one for my party – the Democratic Party of Japan. Despite our significant victories in the 2003 elections, we lost 64 seats and the LDP, with its coalition partner Komeito, now controls two thirds of the seats in the Lower House. The LDP has controlled Japan’s government – almost without interruption - for nearly 55 years.

Following our defeat, then DPJ President Katsuya Okada resigned, and I was elected as the new party President on September 17<sup>th</sup> of this year. I am now 43 years old; the youngest leader of the leading opposition party in Japanese history.

The Japanese House of Representatives is made up of 300 single seat constituencies and 180 proportional representation seats. This large proportion of single seat constituencies means that despite almost equal voter turnout for each party, there can be a great disparity in how many seats parties win. This is the 4<sup>th</sup> time that a general election has been held under such a system, but it is the first time that the characteristics of the first-past-the-post system have had such a dramatic effect. For every DPJ vote, the LDP earned 1.3. But for each seat actually won by the DPJ, the LDP won 2.6. When you exclude the organized votes from the LDP’s coalition partner, Komeito, a religious party, despite the unprecedented Koizumi boom, an almost equal number of votes were cast for the DPJ and LDP. It is clear that Japan has established a two party system that works.

As we learn to govern and more importantly campaign within this system, I firmly believe that the LDP’s 55 year control of Japanese politics will end and that significant change in government with the DPJ at the helm will become a reality. Change will not happen over night. In the meantime, the DPJ will be a vocal and aggressive minority party and will continue to work in support of policies that we believe are in the best interests of Japan and its people.

Let me give you some examples

Domestic Issues to be Dealt with By the DPJ

While I have great confidence in the Japanese economy, if Japan were a corporation, we would be bankrupt and the CEO out of a job. Although Japan’s GDP is approximately 500 trillion yen (\$4.1 trillion dollars), our national debt, both long and short term, is in

excess of 1000 trillion yen (\$8.2 trillion dollars). This is one of Japan's greatest challenges. But this is only the tip of the iceberg. Our population is aging; social security, pensions, long-term care and healthcare costs are rising; and given the decline in Japan's birthrate, the tax-paying population is decreasing.

Today, there is much talk of reform and there is no party more interested in reform than the DPJ. So while the LDP, which must take responsibility for much of our nation's current state of affairs, argues for tax increases to cover the costs of a bloated government, bureaucratic waste, and inefficient and unnecessary public works projects, and usage of special accounts which are not accountable to the public nor the Diet, the DPJ believes that Japan's taxpayers should not be made to keep paying until REAL reform takes place. In fact, the DPJ believes in no tax increases without REAL reform. So what does this mean?

1. Eliminate wasteful spending and redirect tax dollars
2. Shrink the size - and cost - of Japan's bloated government bureaucracy & civil service
3. Put a stop to wasteful and unnecessary public works projects
4. Give more power and budgetary responsibility to local government

Off course postal reform is important – the DPJ has always believed this to be true – but it's not enough. We must put a stop to government waste and we ask the LDP to join us in this battle.

Finally, we must view Japan's aging population as both an asset and as a responsibility. Local authorities, with the support of the central government, must work to provide opportunities for Japan's over-sixties and ensure that they receive the benefits that they deserve.

In 2007, Japanese baby boomers will reach retirement age, but these days 60 year olds are still very active. I believe that key local authorities, to which wide powers and revenues will be transferred, should provide proper measures for active seniors to participate as volunteers in education and nursing care, agriculture and forestry, beautification of the environment and tourism information. I want to realize a society that enable seniors to live active and meaningful lives in their later years. The DPJ will continue to pursue a "human first policy" in domestic policies.

Next, I would like to talk a little about our foreign and security policies.

First let me be clear that the DPJ is committed to the Japan-US Security Treaty that was reaffirmed in 1996 by then Prime Minister Hashimoto and President Clinton. They

confirmed that even though the Soviet Union had collapsed, and the threat of Japan being turned into a Communist nation had ended, it was still both important and necessary to promote the alliance, based on the Japan-US Security Treaty, as a public good for the peace and stability of the Asian Pacific region. I believe that this reaffirmation is extremely important. This is because we cannot forget the fact that Japan is located in East Asia, where remnants of the Cold War, such as the problem of the Korean Peninsula, and the question of China and Taiwan, still exist. In fact, as part of our commitment to long-term peace and stability of the Asian Pacific region, the DPJ supports an strengthening of the existing Japan-US Alliance.

As we all know, both Japan and the United States share many important security, human rights and economic concerns. Let me first address North Korea and then I will speak at length about our ongoing interest in improved relations with China.

Like many in the US, Japan views North Korea as a very real security threat. Some believe that North Korea maintains more than 200 missiles with the capability to strike anywhere in Japan and its nuclear weapons program only makes this threat more significant. We remain resolute that introducing and setting up a missile defense system and addressing security issues through the Six Party talks are priorities.

Like the United States, we look forward to normalizing our diplomatic relations and state to state relations with North Korea, and engaging in real economic support only when we are satisfied that Pyongyang has abandoned its nuclear program and has disposed of nuclear and missile related weapons. At the same time, Japan continues to uncover the details and scale of North Korea's history of abducting Japanese citizens and finding a solution to those abduction cases is vital. We appreciate the United States' unconditional support on this issue. Abduction is a despicable crime and human rights issue--or one could say an ongoing terrorist act. But the unilateral implementation of economic sanctions by Japan is meaningless without the support of countries like the United States.

Now, on to China.

During the recent summit talks with President Bush in Kyoto, Prime Minister Koizumi said that he believed stronger ties between Japan and the US would lead to better relations with China and the rest of Asia. While the Japan-US relationship could enhance security in Asia, it should not be a substitute of having a direct relationship with China. In fact, I believe good Japan-China relationship would also enhance relationship with US and further the prosperity of Asia. Japan must make its own efforts to create direct and friendly relations with China and other Asian countries outside of our relationship with the US.

There is no question that China is growing more powerful – both economically and militarily – at an astronomical rate. China’s rapid economic growth and strength has allowed it to maintain a growth rate of more than 10% in military spending for nearly 20 years. Some say that amount is perhaps 2 or even 3 times the Chinese government’s official figures. Nonetheless, it continues to strengthen and modernize its military power. This is a very real concern.

During the approximately five years that Prime Minister Koizumi has been in office, an abnormal state of affairs has persisted, in which he has been unable to hold exchanges with the leaders of China and South Korea. Mr. Koizumi’s yearly visits to Yasukuni Shrine have played a large part in causing this situation. I continue to believe that at the very least, the Prime Minister, Foreign Minister and Chief Cabinet Secretary should not visit Yasukuni Shrine, where Class A war criminals have been enshrined. All nations must honor their war dead and we do not want to be told by a foreign nation whom not to honor. But we must also acknowledge historical facts that Japan, prior to Second World War, invaded other nations and carried out colonial rule, and politicians should take responsibility for the consequences of these acts.

When it comes to China, I believe Japan should take a two pronged approach; dialogue and engagement on the one hand and deterrence on the other. First, I would like to discuss dialogue and engagement. There are many areas in which Japan and China can cooperate to our mutual benefit and we must act now. It is important for strategic dialogue of overarching themes to take place from the point of view of “mutual reciprocity” and “coexistence and co-prosperity”. Such themes include energy exploration and efficiency, environmental protection and pollution prevention, urban planning, measures to prevent the spread of HIV and avian flu, North Korea, military exchange to prevent arms races, and ensuring the security of sea lanes that involve both energy and distribution---we should engage in this kind of comprehensive dialogue with India as well.

Furthermore, we cannot deny the possibility that the rapid economic growth of a country with such a large population will cause friction with other countries over issues such as securing energy resources and the environment. We welcome the rise of China but riots are reported from time to time and thus we need to watch internal developments carefully. Moreover, this drive to acquire natural resources leads me to another important issue for Japan.

We see movements by China to ignore the sovereignty and maritime rights of other nations, and to establish vested interests by creating a fait accompli through the development of natural gas and oil in the East China Sea. A Chinese nuclear-powered submarine has even made an incursion into Japan’s territorial waters. It is important that we not just wait and see, but take a firm response to these kinds of actions. The

DPJ proposed basic laws in the recent Diet session, which guaranteed protection by the Japanese coastguard and Japan Self Defense Forces for Japanese corporations engaging in exploration and development of resources in the East China Sea. While we deter China's expansive actions with a resolute manner, we should continuously work on reaching agreement on joint development on both sides of the median line. However, if China is to continue development of natural gas and oil in the disputed areas of the East China Sea, Japan has no choice but to embark on its own development in the area.

Japan has had and continues to have disputes with other countries over territorial issues and maritime resources. While we believe in seeking peaceful resolution through dialogue and cooperation, we must resolutely increase our defensive capabilities to protect Japan's sovereignty and national interests. Furthermore, Japan is a maritime nation surrounded in all directions by the sea, but if we think of the facts that she lacks natural resources, and that the Japanese economy is basically supported by trading activities, we have to regard the protection of sea lanes as being of paramount importance. We depend on the United States, which is more than 1000 nautical miles away, but I believe that Japan should also take responsibility.

To do this, however, may require changes to our Constitution and an expansion of the reach and capabilities of Japan's Self Defense Forces. When there is a possibility of a contingency affecting Japan directly, such as the firing of missiles by a third country, or when a situation in the areas surrounding Japan is recognized, I believe that we should explore the possibility of permitting activities that are currently defined as exercise of the right to collective self defense and so cannot be undertaken under the Constitution, by amending the Constitution. A right is something that we should be able to hold in reserve, and it is my belief that right to collective self defense should be exercised purely on the basis of Japan's own judgment.

Furthermore, it is vital that Japan to fully comprehend changes in the strategic environment. The emergence of asymmetrical threats, the development and proliferation of weapons of mass destruction, and the subsequent realignment of US military forces are issues that require a political leadership role that I do not believe Japan has taken.

With regard to furthering Japan-US security cooperation, there are several points that I will focus on.

My first point is my concern about the gap in perceptions between our two nations. According to the Japan-US Security Treaty, the US military is granted use of facilities and areas in Japan for activities in the geographical region specified in the treaty as "the Far East." The reality of the situation, however, is very different. The US

Army's 1<sup>st</sup> Corps command headquarters currently takes much larger areas of responsibility than that defined by the Treaty. But if the 1<sup>st</sup> Corps is moved to Camp Zama, and its regional command does not change, I believe that it may be necessary for Japan and the US to redefine the Japan-US Security Treaty. The Koizumi government does not seem interested in making this effort. In fact, Mr. Koizumi failed to hold prior consultation with the local authorities where bases are located, stalling base realignment discussions.

My second point is that, as a sovereign nation, I believe that it is natural for Japan to have control of bases and airspace within Japan currently under US military command. The Governments of Japan and the US should review the State of Forces Agreement. I am convinced that this will in fact lead to a strengthening of the Japan-US alliance in the long run.

My third point concerns perceptions of Japan's participation in international activities. The situation in Iraq is a perfect example. While the DPJ was opposed to the US attack on Iraq, we do recognize the need for Iraqi reconstruction. That said, we also recognize the dissatisfaction many Japanese citizens feel regarding the handling of this complex situation. We look forward to continuing our role as a leader in advocating participation by members of the international community and a reconstruction that leads to sustainable Iraqi democracy.

In the future, however, it is quite conceivable that, despite our status as a close ally of the United States, Japan will refuse US requests for cooperation if these involve international contributions that do not receive the understanding of the Japanese people. Conversely, Japan may participate independently in operations in which the US does not participate. We must develop our relationship so that we can accept each other's views regarding this question.

Finally, I would like to say a few words about regional economic & foreign policy. I will not be able to discuss the overall picture because of time constraints, but what I would like to stress is that we have a comprehensive strategic policy towards Asia.

For Japan, stronger relations with the ASEAN nations are essential. To be specific, Japan should proceed immediately with FTA negotiations. The current government's reluctance to move ahead on agricultural and labor issues is preventing Japan from taking a leadership role in these talks and setting the agenda in Asia. China has stolen the initiative, leaving Japan further and further behind.

The East Asian summit will be held in Kuala Lumpur in mid December. This forum will be used to discuss the progress toward an East Asian Community. In the past the

US had a negative reaction to proposals made by former Prime Minister Mahathir of Malaysia for an EAEC or EAEG that excluded the United States. It is my belief, however, that it would be impossible to exclude the US. Without the US market, Asian economic development is inconceivable. Without the US military presence, there would be no stability in this region. Hasn't the time now come for us to discuss actual themes such as a Japan-US FTA, or a Japan-US Economic Partnership Agreement? Furthermore, while dialogue between the US and China proceeds between deputy secretaries, I believe we should move toward the formation of a comprehensive trilateral dialogue between Japan, the US and China. I think that Japan and the US should play a role in encouraging China's economic development as a peaceful international partner.

The DPJ will place the development of a partnership between Japan and the US that is rooted in our mutual national interests at the foundation of our foreign policy platform. The Japan-US Alliance should be used as a lever to make the Asian-Pacific region into a region of world peace and prosperity and I believe that we should make every effort to make this effort succeed.

Thank you very much for your attention.