

**CENTER FOR  
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)**

**STATESMEN'S FORUM:  
OPENING A NEW HORIZON IN THE ASIA PACIFIC**

**WELCOME AND INTRODUCTION:  
INTRODUCED BY:  
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JOHN HAMRE: Good morning, everyone. Welcome, this morning. This is a really big day. And we're delighted to welcome Foreign Minister Maehara back to CSIS and back to Washington. This is, I think, the first time since you've become foreign minister. And it's a very exciting time for us. We greatly admire his leadership.

I've had the privilege of knowing the foreign minister for about 10 years. And I said to him, I don't understand how it is that I've gotten older and grayer and heavier and he hasn't changed in 10 years. (Laughter.) I mean, this just does not seem at all fair or right. He remains fresh and vigorous, which is actually – and yet, wise, because he's been in government now for so many years and has done such a superb job in all of the positions that he's had.

And in a way, I think it's emblematic of what Japan is going through right now. I mean, Japan is simultaneously bridging a world of the past and a world to the future. And it's pioneering new directions, and yet it can't let go of what it was and is. And it – and it's finding that way, finding that way to straddle this important, historic moment that holds onto things of value of the past but brings on this fresh, new future.

That's what this government is trying to do and that's what Foreign Minister Maehara sensei is doing. So we are – we're uniquely privileged today to be able to welcome him here and to hear him.

This is an important time for Japan. And it's a very important time for Japan-and-American relations. And we have the opportunity now to hear about this, and the fresh vision that Maehara sensei is bringing to this, this morning. And he chose to come here for this opportunity to speak with all of you. He's only been off the airplane for two hours. (Laughter.) And I will tell you, he only got three hours of sleep on the flight over. And I said, well, that's normal for a foreign minister. So it's been an average day. (Laughter.)

So we welcome Foreign Minister Maehara sensei to CSIS in Washington. Foreign Minister? (Applause).

SEIJI MAEHARA: Thank you very much, Dr. Hamre. Good afternoon, ladies and gentlemen. Thank you very much for coming, so many people. I had a chance to make a speech here five years ago. But then, much less audience – (laughter) – because I was the opposition leader then. And now, I'm a member ruling party and foreign minister. I realize the ruling party is better than opposition party. (Laughter). Thank you very much.

I am truly grateful for this opportunity to speak today at CSIS, one of the leading think tanks of the United States. It was exactly five years ago that I last had the pleasure of speaking here. During these years, political landscape in Japan underwent a significant transformation with the Democratic Party of Japan achieving the change of government.

And CSIS has consistently attached importance to the Japan-U.S. relations and conducted steady research on the subject. I think the latent power of the United States is rooted on the presence of think tanks like the CSIS that analyze information and make policy recommendations, and take on extremely useful and constructive roles in shaping public opinions, both domestic and international.

I'd like to express my respect to Dr. Hamre, president of CSIS, Dr. Michael Green, who has led the highly respected Japan Chair, and other experts of CSIS for their continued efforts and contributions to society.

I majored in international politics at Kyoto University. My academic advisor and mentor, Professor Masataka Kosaka, before he passed away, gave me several instructions as his last will. One of them was that Japan-U.S. relations must be managed well in spite of many difficulties.

Since I was first elected to the Diet in 1993, I have visited the United States every year to exchange views with U.S. government officials and experts precisely because I have believed that the Japan-U.S. alliance is the cornerstone of Japan's diplomacy, and that it is essential for statesmen who engage in governing a country to build a relationship with the partner country.

Japan and the United States have faced various bilateral and global issues. The trust between our two countries has worked as a driving force to overcome each of these challenges. 50 years have passed since the Japan-U.S. security treaty was concluded in 1960. This year, 2011, is interpreted as the inaugural year of the new Japan-U.S. alliance which ushers in the next half-a-century.

The NATO summit adopted a new Strategic Concept last year in which new cooperative security in the 21<sup>st</sup> century was introduced. Likewise, the Japan-U.S. relations, which are the most important in the trans-Pacific relations, must be deepened in transformation to a new alliance responding to the changing strategic environment.

Last December, the U.S. Department of State released the Quadrennial Diplomacy and Development Review, QDDR, which showed the U.S. determination to lead the world through civilian power. The QDDR also involved a rigorous review of an effective setup for the implementation of U.S. foreign policy, which reminds us of the distinct character of the United States – that is, to constantly aim to improve itself.

In particular, it is noteworthy that the QDDR indicates that the U.S. takes measures which include strengthening the interagency approach to the security areas, including conflict prevention, development, peace building, and assistance to vulnerable states by making use of civilian power.

I hope that Japan and the United States in close cooperation would promote the rise of civilian power in the Asia-Pacific, while making the Japan-U.S. security treaty cornerstone of peace and stability. If the Asia-Pacific region were to become a driving force for the peace and prosperity in the 21<sup>st</sup> century, we need to – we need to bolster the network of civilian power and

see to it that democracy and market economies take root in the region. After all, they have brought the most peace and prosperity to humankind throughout history.

Today, I wish to share with you my basic thoughts on how Japan and the U.S. should cooperate with each other in this region, which is going through a period of change in order to promote the shaping of a new order and to open a bright future under the theme of “Opening a New Horizon in the Asia-Pacific.”

There is no doubt that the 21<sup>st</sup> century is the era of Asia-Pacific. The three countries of Japan, the United States and China occupy the top three spots in global GDP ranking. In addition, some estimate that the share of Asia excluding the U.S. and the other Pacific Rim countries as a percentage of global GDP likely will reach 40 percentage in 2030 compared to 25 percentage in 2009.

At the same time, we must remember that the rapidly developing Asia-Pacific is fraught with factors of instability and uncertainty. The nuclear and missile development issue of DPRK is a cause for major concern.

It should be noted that as seen in the sinking incident of the Republic of Korea’s patrol ship Cheonan last May, the shelling of the Yeonpyeong Island last November and the development of enriched uranium, DPRK these days is escalating the level of its provocation against the region and the international community.

In addition, in the case of Japan, we have with DPRK the unresolved issue of the abduction of Japanese citizens.

The rise of Asian emerging economies, while providing opportunities for the economies of Asia and the world, also is causing tension against the backdrop of the scramble for resources. In addition, increase in military spending by some countries without transparency has become a factor that could potentially raise tension in the region.

Thus, with ongoing multipolarization among the community of nations, we are witnessing a tendency for countries to increasingly pursue their own interests in the absence of a common platform.

The Asia-Pacific is a region full of diversity with a multiplicity of ethnicities, cultures, and religions. It is this diversity that is driving the remarkable growth of the region. Diversity, with a misstep, may turn into a conflict. Instead, it is quite possible to bring prosperity in the region by building on diversity, a stronger sense of unity and making the region even more dynamic and open.

We should build this new order with the fundamental philosophy that developing the Asia-Pacific region through cooperation instead of under hegemony is indivisible from the long-term interests of the countries in the region.

With this in mind, it will be important to develop institutional foundations embodying the rule of law, democracy, respect for human rights, global commons, and free and fair trade and investment rules, including protection of intellectual property rights. This needs to be done in addition to developing infrastructure that has underpinned the development and economic growth of the region's developing countries to date.

For example, Indonesia, a country with the world's largest Muslim population, elects its president through direct ballot and is enjoying political stability as a democratic state by respecting the freedom of speech among others. These developments have made Indonesia's leadership role in ASEAN more dependable.

The Bali Democracy Forum organized at President Susilo Bambang Yudhoyono's initiative is worthy of attention as an Asia-originating commitment to democracy. Japan highly appreciates it as an attempt – as an attempt in the region to build an institutional foundation called democracy.

I myself attended the third Bali Democracy Forum last December on behalf of the Japanese government and gave a presentation titled “Democracy in Diversity: Building on Asia's Unique Strength.”

Needless to say, whether fast-rising, emerging economies such as China and India will engage actively in shaping the region's new order with full grasp of the common interests of the international community will be crucial.

In particular, as China already has grown deep economic interdependence with both Japan and the United States, its peaceful development in harmony with the international community will be in the interest of both of our countries. Japan, therefore, takes interest in the role that China will play in shaping a new regional order in the Asia-Pacific.

In consideration of such strategic environment, the Japan-U.S. alliance is vitally important not only to the defense of Japan but also to the peace and stability of the Asia-Pacific region as the region's public goods. I highly appreciate that the United States not only has continued to make immeasurable contributions to the region's peace and stability by maintaining an overwhelming presence in the Asia-Pacific, but also has been intensifying its engagement in the region under the Obama administration.

The top-priority task today for Japan and the United States, I believe, is to invest our all-out and all-round effort to shape a new order in the Asia-Pacific region, which finds itself in the middle of a period of change. The roles of our two countries will not diminish in any way in the days ahead.

In fact, in view of the urgent need to develop institutional foundations in the region today, expectations are only rising that we play even greater roles. And I feel the responsibilities on our shoulders are very great.

To date, Japan has endeavored to promote various regional cooperation in addition to making contributions to the sustainable growth of the Asia-Pacific. Through trade and investment, official development assistance and others, Japan will carry on these efforts.

In particular, Japan, jointly with the United States has considered important ASEAN's centrality in regional cooperation. Japan, therefore, will continue to attach importance to supporting efforts toward ASEAN integration through assistance for the building of an ASEAN Economic Community by 2015 and the strengthening of ASEAN connectivity.

At the same time, we are paying particular attention to East Asia Summit – EAS – among the various frameworks that are evolving with ASEAN at the core. Japan has consistently advanced the idea of U.S. participation to EAS and welcomes the official decisions of U.S. and Russian participation last year.

There are some concrete agendas for Japan and the United States to pursue in order to develop institutional foundations in this region. Expanding and strengthening the role of EAS is one of them. EAS so far has seen progress in regional cooperation in the five priority areas of energy, education, finance, disaster management and measures against avian flu.

In the days ahead, we wish to bring up for consideration the possible inclusion of security within the scope of EAS. From this perspective, we are looking forward to the role that Indonesia will play as the ASEAN chair this year. These, I believe, are in line with the thoughts Secretary Clinton enunciated in her presentations in Hawaii in January and October of last year.

The second task is the APEC, which has achieved remarkable progress in creating common platform for the liberalization of trade and investment over the past 20 years or so. We shall build on the “Yokohama Vision,” a product of the APEC Economic Leaders’ Meeting that was held in Yokohama last November, and continue close coordination with the United States, which will chair the APEC process this year from the vantage of “From Yokohama to Honolulu.”

In Yokohama, it also was confirmed with regard to “The Pathways to FTAAP” – Free Trade Area of the Asia Pacific – that concrete actions should be taken by way of building on the regional endeavors currently underway.

The Trans-Pacific Strategic Economic Partnership agreement – TPP – can be regarded in particular as a next-generation-type FTA. As such, it can be an important first step towards the realization of an FTAAP. If a framework becomes a reality with major global economies such as Japan and the United States participating, it will have great economic as well as political significance.

I regard this also as a part of the process of strengthening Japan-U.S. relations. Quite frankly, in considering – quite frankly, in considering Japan's participation in TPP, Japan has to carry out reforms including agriculture, which doubtless will entail difficulties.

However, the government of Japan has decided to launch consultations with the countries concerned, as it believes that the revitalization of agriculture and further opening up of Japan are two objectives that can go hand in hand rather than run counter to each other.

Thirdly, we should establish closer partnerships among countries that are mature democracies with market economies, with a view to building a system of cooperation encompassing both security and economy.

One approach in this regard is the consolidation of networking in the Asia-Pacific region. If we can expand the networking among countries which share the rules, we will be able to reinforce the region's institutional foundations. In parallel, we should engage in rules-making efforts for new public space such as the outer space and cyber space, in addition to rules governing the freedom of maritime navigation, intellectual-property rights and open skies.

For our two countries – for our two countries to play a central role in order to move in the direction I have suggested, an unshakeable Japan-U.S. alliance will be essential. Japan and the United States filled out those steps last year over the issue of the location of Marine Corps Air Station Futenma in Okinawa. At the same time, dissatisfaction grew among Okinawans over the ability of the Japanese government to turn their wishes into reality. The crucial point is that efforts to gain the understanding the local Okinawa community will be essential for the resolution of the issue.

It will be essential not to invite a situation that might undermine the functioning of the Japan-U.S. alliance, which has a strategic importance for the region's stability. As the government of Japan moves forward the relocation of Futenma Air Station while making clear that it will deliver on the Japan-U.S. agreement of May 28<sup>th</sup> last year. It therefore will be important for both Japan and the United States to contribute their respective wisdom from medium- and long-term perspectives and work with unwavering determination to resolve the Futenma relocation issue.

From the viewpoint of setting the right environment to manage the bilateral alliance, the understanding reached in principle between the governments, as a result of the comprehensive review of the host-nation support for the U.S. forces in Japan, is an achievement of the Kan and Obama administrations. This major political decision to maintain the current level of support over a five-year pay period, in spite of the harsh fiscal conditions, is a reflection of the recognition of the part of the government of Japan regarding the importance of the Japan-U.S. security arrangements.

Last December the government of Japan devised the National Defense Program Guidelines in which a new concept of dynamic-defense force focusing operations was introduced of place the basic defense-force concept that aims to secure deterrence by the existence, per se, of defense capability. Japan recognizes that it is our responsibility to build, through its own effort, a defense structure more appropriate for the changing strategic environment in Asia.

With regard to the economy, which is the second pillar of the Japan-U.S. alliance, believing that the evolution of the alliance will be founded on robust economies, we shall

promote cooperation in new areas of growth and involving leading-edge technologies that provide for mutual interests – renewed growth, jobs and exports – in addition to promoting TPP, which I referred to earlier.

More specifically, we shall promote cooperation projects such as high-speed railway systems, including superconducting Maglev and the environmental technologies including clean energy. Japan takes pride in its high-speed railway system, which operates on time with high level of safety having had no fatal accidents to date. These are features that are not seen in high-speed railway systems of any other country. We are convinced that if this high-speed railway system, which epitomizes Japan's state-of-the-art technology and in cooperative – incorporates at the time maximum consideration for the environment, is introduced into the United States, it will long remain a symbol of our bilateral alliance that is visible to the people of Japan and the United States.

The first – the third pillar of our alliance is cultural and people-to-people exchanges. It is often pointed out these days that the number of Japanese students studying in the United States is on the decline. I hear that Professor Eiichi Negishi, the Japanese chemist at Purdue University who was awarded the 2010 Nobel Prize in chemistry said, with a sense of urgency, young folks, go abroad. We indeed have to devise incentives to encourage young Japanese, who have become inward-looking these days, to go abroad, including to the U.S.

I myself have gained immeasurably from my contacts with Dr. Hamre, and many other gathered here over the years. The government, sharing the same awareness of the problem, agreed with the United States in the bilateral-summit meeting that was held – that was held in the margins of the Yokohama APEC meeting last year to step up our bilateral exchanges. Apart from continuing the JET program, which has built up impressive track record to date, the agreement included – includes the dispatch of young Japanese teachers to the U.S. and two-way exchanges of students.

Last but not the least, what is most crucial for an alliance is mutual trust. In the four months since I – since assuming office as a foreign minister last September, I have built a relationship of trust with Secretary Clinton as ones in charge of diplomacy by, for example, having – for example, by having four foreign ministers' meeting including the one scheduled today. I am convinced that by further deepening the Japan-U.S. alliance, bolstered by mutual trust, we surely will be able to overcome any challenges that will confront the Asia-Pacific region.

Japan and the United States built the most important alliance in the world after the devastating World War II. As most people, including I, were born after the war there is a tendency today to take the alliance for granted. However, when I put my hands together in prayer to console the spirits of both Japanese and American soldiers who lost their lives in Iwo Jima, the site of a hard-fought battle of the battle of the unfortunate war, and when I reflect on the tragic experiences of the prisoners of war who endured severe ordeal, I am strongly reminded that the alliance which binds us was not built in a day.



Therefore, it is our duty to make this tie further stronger. The next year, 2012, is the centennial anniversary of Tokyo's gift of cherry trees to Washington, D.C. I wish to express my hope that this year Japan and the United States would demonstrate their determination to continue to deepen our friendship and to strengthen mutual just as these resplendent – sorry – just as these resplendent – (inaudible) – cherry blossoms that adorn the Potomac every spring will continue to bloom. Thank you very much for your attention. (Applause.)

MR. HAMRE: Ladies and gentlemen, I think you'll agree that speech reflected exactly this posture that Japan is in. It reflects the wisdom of age and the energy of youth and it's really encouraging and I want to say a personal thank you to Foreign Minister Maehara for honoring us today with such a thoughtful presentation. We have a few minutes that we can indulge in some questions and with a lot of people that want questions, I'll say be very polite.

If you have a lecture you want to give meet with me later. (Laughter.) Tom, we'll start with you. We have a question right down here. Move the microphone over. Tom, we'll start with you and then I'll move my way down the (aisle ?).

Q: Thank you, John. My name is Tom Wong (ph). I'm from Bank of Tokyo Mitsubishi USA in Washington, D.C. Nice to meet you, Mr. Maehara. My question is on TPP – Trans-Pacific Partnership – that most of the Japanese business sector, academia and most of the politicians oppose. But there is a whole, strong opposition in agriculture sector for some politicians.

So imagine if you, face to face, tried to persuade those people in opposition, what's your core message as a foreign minister? A foreign minister who knows global world, global economy and what's going on in the world. So just of you words or core message – what would it be?

MR. MAEHARA: Thank you very much for your question. My English is poor so I'd like to answer in Japanese.

(Seiji Maehara's remarks are provided through interpreter.)

MR. MAEHARA: That was a question with regard to the TPP: the Trans-Pacific Partnership. The current administration has come up with this basic policy on comprehensive, economic partnerships and so the policy is to consider our participation in TPP. That is the language spelled out in their basic policy hinting – considering the recent statements that Prime Minister Kan made in the most recent press conference, I believe the DPHA administration will come up with its conclusion by – sometime around the end of in June.

I'm not sure if it is appropriate for me to express my view as foreign minister on this subject matter. In any case, with the view to achieving FTAAP, the 21-member economies of APEC have confirmed that they will work towards their economic integration. What pathway shall we choose? Currently, the most concrete pathway visible, I believe, is TPP. True, ASEAN aims us at us integration in 2015 and ASEAN and ASEAN Plus Three also are discussing their

economic integration or partnerships but I think TPP is one of the most concrete pathways visible today.

Now, what is most important – what is more important than anything else is – of course, agriculture is very important but the (primary-care ?) industry's GDP percentage is only 1.5 percent. We have protected agriculture over the years and yet agriculture actually is withering. For example, the average age of farmers today is 65.8. (Five ?) years – (inaudible) – it was 60, which shows that no young participation has taken place. And today rice – the tariff on rice is 778 percent.

So even with this sort of protection going on, agriculture in Japan will only sort of officially taper off. And if that is the case, we have to engage in a bold reform of agriculture and at the same time look – turn our attention to 98.5 percent of the GDP and aim at a more liberal trade structure or trade system and use that as the trigger to rejuvenate the Japanese economy. I think this will be very important.

In any case, on the basis of this basic policy on economic, comprehensive type of partnership decided by the cabinet will engage in (various ?) consultations with the countries that's part of TPP and also by engaging in multilateral trade-liberalization efforts. We need to try and energize the Japanese economy and also make contributions to the world economy.

MR. HAMRE: Next and then I'll come down here.

Q: Thanks very much.

MR. HAMRE: We've got a microphone right behind you there.

Q: Thank you, Hamre san . (Chuckles.) Chris Nelson with the Nelson Report. Maehara san, thank you for such a strong voice from Japan, it's so important for us to hear that these days, especially with all our Chinese friends running all over town. (Laughter.) You talk about mutual trust and this week there's been a fair amount of coverage on the Japan side of very detailed expectations for results from upcoming ministerials, both defense and otherwise with our South Korean allies.

But it seemed that the South Koreans, perhaps, are being a little more conservative in their enthusiasm, pending other things, and I'm wondering if you and your government see the need to continue to take more proactive steps to help reduce the unfortunate historical legacy of mistrust that is still in the South Korean electorate. Or is it, perhaps, at this point all we can do is rely on the events with North Korea to help propel a closer alliance? Thank you.

MR. MAEHARA: Well, thank you very much. I'm not really sure if I could, you know, fully understand the question. But I gather that the question is our relation with South Korea in the context of the DPRK issue. Is that a correct interpretation of the question? As I stated in my earlier presentation, there was the sinking of the Cheonan, the corvette Cheonan, last year or the shelling of the Yeonpyeong Island where civilians reside and also, the North Koreans revealed a

uranium-enrichment endeavor. So North Korea has continued to take provocative actions threatening the stability of the regions and this we are most gravely concerned about.

Last December – and thanks to the initiative of Secretary Clinton, the foreign ministers of Japan, U.S. and ROK got together and discussed the response and they agreed that we should closely coordinate with each other in response to dealing – in dealing with DPRK and I laud this initiative of Secretary Clintons. And following that, undersecretary – or Deputy Secretary Jim Steinberg who was at Beijing and also I spent – I sent Mr. Saiki, who is with me here today, the director of the Asian Affairs Bureau, to Beijing and Moscow to explain their thoughts on the thinking of the three countries and to encourage that the five countries should work together in building with the DPRK issue and I think it was very good that we could work out that sort of coordination.

Now, I believe what is most important is that North-South dialogue be opened up. And also, in the trade (party ?) foreign minister's meeting with regard to the six-party talks and that the Chinese have been calling for, we would not reject that but we believe that it is important for DPRK, in the first place, to take concrete actions. And the Chinese, I trust, have communicated this point to DPRK, clearly. So I believe that DPRK needs to, in the first place, take concrete action and open up prospects towards a more peaceful Korean peninsula.

In any case, we desire peace and only through tenacious negotiations I believe we can resolve this issue, so we'll keep coordinating with South Korea and the United States and strive for the resolution to the problem.

MR. HAMRE: We have, really, only time for one more question because the foreign minister needs to go to meet with the secretary of State so let me get a microphone down here.

Q: Thank you. Jan Shin (ph) with CTI TV of Taiwan. Mr. Foreign Minister, what is the state of play of Japan-China relations at this time after last year's tension? You spoke about building the institutional foundations for a new order in the Asia-Pacific. What kind of role do you envision China to play in that process? Thank you.

MR. MAEHARA: Thank you very much for that question. Last year, within Japanese waters around the Senkaku Islands, a Chinese fishing boat rammed into a Japan Coast Guard patrol vessel and that led to a rising tension between Japan and China as you pointed out. That said, seen from our perspective there is no territorial issue in the East China Sea and the Senkaku Islands are in Japan's territory inevitably and this will not change forever.

Now, Japan-China relations, also, are very important bilateral relations for Japan especially interdependence in the economic area is only strengthening. Seen from Japan therefore, number one, export target – export destination is China and the largest imports come from China. Seen from the Chinese side, the largest export destination it used is the United States but Japan is number two and also, the largest imports come from Japan.

So independence – economic interdependence, speaking of our two countries, is growing very strong and so we need to manage the various issues that may arise. And from a very broad

prospective, we need to strive to direct our bilateral relations in a better direction. I think that's what will be in the interest of both of our countries and I trust that the Chinese will also have the same view.

Next year will be the 40<sup>th</sup> anniversary since normalization of our relations – diplomatic relations and so we need to turn this landmark year into a year of greater cooperation and development. And with that in mind, this year we will confirm various cooperation and in order to build even better bilateral relations.

MR. HAMRE: Councilor, I have three things to say and then I'll get you out of here. First, a copy of Foreign Minister Maehara's fine speech is available to everyone outside. Right outside when you walk out the door you should find copies of it. Number two, please stay in your seats so I can get the official delegation and the foreign minister out safely. You know, you know what Washington traffic is like. I don't want the bottleneck down here. (Laughter.) And then finally, let's – with our enthusiastic applause – thank Foreign Minister Maehara for his excellent speech. (Applause.)

(END)