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Japan Chair Forum

"My Three and a Half Years in Washington"

with

His Excellency Kunihiko Saito
Ambassador of Japan

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Thank you. I'm delighted to be here this morning at CSIS. This event is a very meaningful one for me. This is the last speech I will make as Japan's ambassador to the United States. I will be returning home next week. I am being called back to Tokyo, not because I have solved all the problems in the Japan-U.S. relationship, nor because, I hope, I have created new problems. Simply, the time has come for me to leave the Japanese Foreign Ministry. Although I intend to keep busy after a few months of rest, I will genuinely miss being ambassador to this remarkable country. < p> Someone asked me the other day what surprised me most after living in America for three and a half years. Well, a number of things. I was surprised that old people are so active here in their careers, in their communities, in their various interests. Japan honors the old; in America, people don't seem to realize they ARE old. I was surprised how hard working Americans are for example, the long hours government officials put in, the long hours shops are open. Another thing. I was surprised how straight and serious many Americas are. They don't drink or gamble as much as I imagined. They are very aware of fitness and health. I was surprised and deeply impressed when I found that Americans adopted children of other countries when they have children of their own. Culturally, such a thing would not occur to most Japanese. I think these adoptions are a good example to show the broadmindedness and generosity of the American people.

When it came to the job of being ambassador, I have been lucky because our relationship has been generally very good and positive over the past three and half years. In security matters, we have seen solid advances. Four months after I arrived as ambassador, Japan and the United States reached agreement on lessening the burdens on the people of Okinawa, including the return of Futenma air base, the consolidation of facilities, the relocation of various exercises and so forth. All these decisions were widely welcomed in my country. President Clinton said that these were things we probably should have done some time ago. Our two countries have also agreed to new defense guidelines. As a result, Japan will provide increased support to U.S. military operations during contingencies, including search and rescue, and rear area support. So we will work more closely with U.S. forces than ever before.

Politically, Japan and the United States are in constant consultation on issues. In the great majority of cases, we take similar positions. With regard to North Korea, we consult intensively. We've recently seen progress in the talks due to the cooperation between Japan, the United States and South Korea.

When the United States has taken decisive actions to restore peace around the world, Japan has always supported it. Recent examples are the air strike on Iraq in December 98 and the military action in Kosovo. We do so not because the United States is the most powerful country in the world, but because we share the common values and principles and our interests largely overlap. Japan strongly supports U.S. leadership in the world.

Now, does America occasionally make mistakes? Of course. The historian Arnold Toynbee said, America is a large, friendly dog in a very small room. Every time it wags its tail it knocks over a chair. Yes, the United States knocks over some chairs now and then. It is hard to be so influential and powerful and not do so. What I don't think many Americans fully realize is WHY America is the world's leader . . . and why it is that the eyes of the world turn to you. It is not just your wealth or your restless technology or your military reach and power. It is the remarkable openness and opportunity that you symbolize. America is a magnet for those with ambition and hope.

The United States may be the most influential nation in history. I believe that is true. I would add that America's leadership is a benefit to the entire world. And Japan's security and political policies are premised upon the continuing leadership of this great country.

Let me briefly mention our cooperation in what we call the "Common Agenda." That is an ambitious project worked out between our two governments to deal with problems of global scope, such as population, environment and AIDS, children's health and so on. This is really a very successful program, perhaps the most successful program of such a kind between any two countries. Unfortunately the "Common Agenda" is unduly neglected by the press. Today I do not have time to go into details, but my embassy will be happy to provide you with necessary information.

Beyond the security and political issues, the other big issue that preoccupied my time over these past three and a half years has been economic. Since the automobile issue was resolved in 1995, we didn't have any highly visible, politically charged sectoral issues between us . . . until the recent steel problem. Instead, the state of Japan's economy has been the major source of concern to the United States Government. The United States has been justifiably concerned. And we heard a lot of complaints, requests and criticisms from the U.S. side. I personally got a lot of advice about Japanese macro-economic policy, in particular from Mr. Summers, sometimes very frank advice. Looking back, most of it was sound and to the point. And Japan did change its economic policy about a year ago. Japan's economy has shown signs of recovery lately. We now have a pulse. We've seen, for example, positive GDP growth in the first and second quarters of this year. Japan's leaders are not yet satisfied, however, and they are determined to take additional measures if necessary.

As Prime Minister Obuchi and President Clinton agreed in May, our relationship is in its best shape ever. Ambassador Foley said yesterday in his speech here in Washington that our relationship is flourishing. Although I too believe our relationship is in excellent shape, let me talk a little this morning about my worries. It is perhaps an ambassador's duty especially a departing ambassador's duty--to point out danger signs in the relationship.

Let me mention three points that worry me. First is the protectionist tendency that might be emerging in this country. Steel is an example. Our exports of steel to this country increased sharply last year. In fact, they increased 2.6 times over 1997. Our exports increased mainly because of demand. U.S. domestic production simply could not keep up with the demand for steel in this country. Still, our exporters and manufacturers tried to curb exports starting in October of last year, and exports did decreased dramatically . . . but the damage was already done. Dumping cases were filed. Import restrictive bills were introduced. Tensions were stirred up. I fear that once such a trend starts it is difficult to change its course. We hope it will not spill over into other industries. We have highly appreciated the administration's efforts to prevent the outbreak of such protectionism. In its report to the Congress in January, the administration did not

take any immediate action on steel . . . contrary to the expectation of many. A few hours before this report was sent to the Congress, Sandy Berger, the President's national security adviser, called me to his office. I found him and Gene Sperling, the President's economic adviser, waiting for me. This was the first time I had seen these two gentlemen in same room, so I knew something big was up. They said that unless Japanese exports of steel returned to the pre-crisis level, the United States government would be forced to take measures to curb steel imports. Later that same month, I was in the U.S. Capitol, there on the floor of the House Chamber, listening to the President deliver his State of the Union address. It was a long speech, and I was getting a little drowsy . . . when all of a sudden I heard the President say "Japan!". He said, I have already informed the government of Japan that if that nation's sudden surge of steel imports into our country is not reversed, America will respond. A number of my fellow ambassadors turned around to look at me as if to say, "Hey, are you awake? Did you hear that?" I heard it, but I believe it was aimed not just at Japan but at the President's own political constituencies, as well.

But, I think this indicates not only that the steel problem is highly political, but also that Japan is a conspicuous country where trade disputes are concerned. Other countries, such as Russia, Brazil and Korea, have increased their exports of steel products equally sharply . . . and dumping cases have been filed as well . . . but only Japan was mentioned. That means people tend to think about Japan first when they think of trade disputes. This also means that if the U.S. economy slows down before the Japanese economy fully recovers, Japan will become a target. I sincerely hope that will not happen.

Second, I worry about the tendency of some U.S. companies to ask the U.S. government to pressure foreign governments for special favors. Such an approach will not lead to the long-term well being of these companies. It may lead to a short-term, temporary improvement, but it will not fundamentally resolve problems. Such an approach leads to political tensions between our two countries, and that should be avoided. Only by patient efforts to understand and cultivate Japanese markets, to understand the taste of Japanese consumers, can these foreign companies enjoy long-term success. Many American companies do succeed in Japan. The Wall Street Journal had a headline the other day that said a great deal. It said, Japan Inc.'s Overhaul Gathers Steam, Opening Opportunities for Foreigners. In that same article, John Sievwright, president of Merrill Lynch Japan, said, there's been a complete shift in the landscape. The Japanese people realize that unless we reform ourselves, unless we carry out deregulation, unless we make our society more transparent, we will be left behind. We will lose competitiveness. So this is a tremendous time for foreign companies to come into the Japanese market. This is a tremendous time to pursue the opportunities. By making persistent efforts to understand Japan's ways, I am sure many more American companies will have success.

Third, I worry about the excessive sensitivity some Japanese show when it comes to my country's relationship with the United States. After worrying so long about Japan bashing, now some Japanese worry about Japan passing. In my view, Japan passing indicates that our relations are essentially sound and good. Some worry that improvement in U.S.-China relations somehow lessens U.S.-Japan relations. But U.S.-Japan relations and U.S.-China relations are totally different. Japan and the United States are allies because we share the same principles and ideals, and because our interests overlap in many areas. And there is no point in reacting emotionally to particular actions and attitudes of the United States. In diplomacy, there is no place whatsoever for emotion. And I am worried about a tendency that I notice from time to time in Japan to try to be particularly tough and take unnecessarily hard stands toward the United States. And I hope this tendency will change.

The final point I would like to make today involves the future. When I joined the Foreign Ministry in 1958, my monthly salary was $25, 9,000 yen. The same year, new recruits of the State Department earned about $400 a month. The ratio was sixteen to one. Now, new recruits to the Foreign Ministry and the State Department are paid roughly the same amount, roughly $2,500 per month. This is indicative of the progress Japan has made. We have come a long way.

Where do we go from here? Can Japan be a powerful and competitive economy again? Can Japan have a society with vitality, flexibility and fluidity? Can Japan play a more important role financially, economically and politically in the international area? I think the answer to these questions is yes. We should not forget our problems are serious, but Japan has a number of important assets such as a high level of education, a diligent people and a disciplined society. We will certainly overcome the current difficulties. Japan will play an important role, in close cooperation with the United States, in improving economic conditions around the globe and in furthering peace and prosperity in the next century. I deeply believe that.

And now, ladies and gentlemen, I would like to close on a personal note. My wife and I have had a wonderful time while serving in this country. We have been received most kindly and warmly wherever we went, and particularly here in Washington. I will carry certain snapshots of America in my mind forever. I will recall the many places around the United States where I have made speeches, and the people I have met on those trips. I have traveled to all four corners of the United States . . . from Vermont to Florida to California to Oregon and Washington . . . and to points in between. These travels have been such an interesting and rewarding part of our life here. As ambassador, perhaps I am supposed to be neutral, but I particularly liked San Francisco and Santa Fe, besides Washington, of course. And there have been magical moments. As long as I live, I will remember the beautiful night, with a blazing bonfire, when a Japanese Noh play was performed in the garden of our residence. So many wonderful memories.

Ladies and gentlemen, I am honored to have served as Japan's ambassador to this great and wonderful country. I hope I have helped further understanding between our two nations. I am so thankful that I have gotten to know so many of you who are here today. I am so thankful to you for your warm American hospitality and for your many kindnesses.

The Japanese word for good-bye is sayonara. Translated literally, sayonara means, "If it must be so." I think that is a gentle and elegant way of bidding farewell. So, my friends, let me say to each and every one of you . . .sayonara.

Press & Information Section
Embassy of Japan
Tel: 202.238.6765
Fax: 202.265.9484