## **Center for Strategic and International Studies (CSIS)**

Statesmen's Forum: Shinzo Abe, Prime Minister of Japan

Moderator: John J. Hamre, President and CEO, CSIS

Speakers:
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Prime Minister of Japan;
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JOHN HAMRE: (In progress) – for coming. I'm delighted to have you here. My name is John Hamre. I'm the president at CSIS.

You know, I just have to share with you just this little story. You know, the more important you are in Washington, the worse you're treated when you come to a building. You know, any one of you was invited to come in – there were six elevators; you could take any one you wanted. But if you're the – if you're the prime minister of Japan, you have to come on the trash elevator, you know? (Laughter.) You know, and we make you come down to a reserve room which is junky and – you know, and we make you walk through the kind of the catering kitchen. It's just terrible. But that's what it means when you're important, you know? It's called security, OK, you know? (Laughter.)

But anyway, we're delighted to have the prime minister here. This is – this is an exciting time for us, and we know, of course, Prime Minister Abe. We know of his leadership through the years, and we're really delighted to have him here. We welcome him. We're excited that he can be with us today. And thank you, Prime Minister. We're delighted to have you here.

I would – I would especially like to say words of thanks for our colleagues who are here. I would like to welcome Foreign Minister Kishida; we're delighted to have him here. And Senior Adviser to the Prime Minister Hasegawa (ph) is with us; Deputy Chief Cabinet Secretary Cato (ph) is with us.

Ambassador Rich Armitage, of course, is with us; Rich is one of my bosses, so I really do have to recognize him. (Laughter.) Ambassador Tom Schieffer, you know, did a great service for America and Japan. We're delighted to have you here. And Governor Parnell, we're delighted to have you here from Alaska. And he's our closest state to Japan and has the keenest interest in Japan. And it's really wonderful to have you here, ambassador – or governor. Pleased to have you. Thank you.

You know, there's a new word in Washington. It's "Abenomics." You know, it's the new economics that Prime Minister Abe is bringing to Japan. We rather need a little bit of that here in Washington. We've got to get ourselves started again, you know, and I think that's exactly what Prime Minister Abe is doing in Japan, and it's an exciting time.

I would just like to take a second to say – I don't know how many of you have listened to the prime minister talking about his foreign policy agenda. And it's very important – you know, and just what I say – he has articulated five key principles for Japan's foreign policy going forward: To protect freedom of thought, expression and speech in Asia-Pacific. Can you think of anything more important than that, honestly? This is going to help transform the region.

To ensure that the seas are governed by rule of law and not by intimidation or power; to pursue free and open, interconnected economies throughout the region; to bring about a more fruitful intercultural tie with Japan and the – and other countries in Asia, and to promote an exchange with the younger generation. These are the five principles that Prime Minister Abe has articulated, and I think they're good for America. If this is successful, it's going to be good for us. And this is a partnership that's good for us. And we celebrate that and we welcome it.

We're going to have a chance to hear Prime Minister Abe. He's been here today; he had a meeting with the president. It was extended, it was an important visit that got extended because there were – I don't know how much he's going to tell us. I'm going to ask him, by the way – I mean, we want to know.

You know, I think it's a very important dialogue that we have between Japan and America. This is the most foundational relationship that we have in Asia, and we need this to be a successful relationship. And I know that Prime Minister Abe is going to be a key leader for that.

You know, about 80 percent of Americans believe that the U.S.-Japan relationship is the most important foundational relationship in Asia, and I think that's emblematic of this – how important we give this relationship, and why it's so important that Prime Minister Abe would be here so early in his tenure and in President Obama's second term.

So we're delighted to have him here. Would you please welcome him with your applause, Prime Minister Abe. Thank you. (Applause.)

PRIME MINISTER SHINZO ABE: Thank you, Dr. Hamre, for your warm introduction. Thank you, Secretary Armitage, and thank you, Ambassador Schieffer, and thank you, Governor Parnell, thank you, Dr. Green, and thank you all for joining me today.

Last year, Richard Armitage, Joseph Nye, Michael Green and others published a paper about Japan. They asked if Japan would end up becoming a tier-two nation. Secretary Armitage said, here is my answer to you: Japan is not and will never be a tier-two country. That is the core message I'm here to make, and I should repeat it by saying I am back and – (laughter, applause) – and – thank you – and so shall Japan be.

That much is what I have wanted to say. I could stop here and take your questions for the next 15 minutes. I know, however, that Ambassador Sasae has started to look very much anxious – (laughter) – so I'll go on talking anyway. Bear with me for another 20 minutes.

The time I've spent, five long years, since leaving office as prime minister was my time for reflections. First and foremost, I reflected upon where Japan should stand in the future. I didn't think whether Japan could do this or that. I thought more often what Japan must continue to do. Here are the three tasks that were always in my mind while I was thinking that way. Firstly, when the Asia-Pacific or the Indo-Pacific region gets more and more prosperous, Japan must remain a leading promoter of rules. By rules, I mean those for the – for trade, investment, intellectual properties, labor, environment and the like.

Secondly, Japan must continue to be a guardian of global commons, like maritime commons, opening us to benefit everyone, Japan's aspirations being such.

Thirdly, Japan must work even more closely with the U.S., Korea, Australia and other like-minded democracies throughout the region.

A rules promoter, a commons guardian and an effective ally and partner to the U.S. and other democracies must Japan be.

I also looked at the globe. It tells me that as your long-standing ally and partner, Japan is a country that has benefited from and contributed to peace and prosperity in the Asia-Pacific for well over half a century. The bedrock for that, needless to say, has been our alliance.

It is high time in this age of Asian resurgence for Japan to bear even more responsibilities to promote our shared rules and values, preserve commons and grow side by side with all the high achievers in the region. No luxury is allowed for Japan to be self-absorbed in its struggle against economic malaise.

My mental globe also told me that Japan must remain a robust partner in fight against terrorism. My resolve is even stronger now after what happened in Algeria, the killing of 10 Japanese and three American engineers.

The world still awaits Japan, I thought, in promoting human rights in the fight against poverty, illness and global warming, and the list goes on. That's why, ladies and gentlemen, I stood for office again. That's why I'm resolute to turn around Japanese economy.

I said a moment ago that the Asians are making great progress with the exception of a single country. I should have added, the exception, of course, North Korea. My government, upon their nuclear test, introduced an added sanction against Pyongyang. Their nuclear ambitions should not be tolerated unless they give up on developing nuclear arsenal, missile technologies and release all the Japanese students they abducted. My government will give them no reward. This is no regional matter but a global one. Japan, on my watch, should work hard with the U.S., South Korea, others and the United Nations to stop them from seeking those ambitions.

Now, if you look at the lapel of my jacket, I put on a blue-ribbon pin. It is to remind myself each and every day that I must bring back the Japanese people who North Korea abducted in the 1970s and '80s. Among them was a girl, Megumi Yokota, who was only 13. That is also the reason why, as a nation firmly behind human rights, Japan must stay strong, strong first in economy and strong also in its national defense.

Let me tell you, Japan must be austere as well. It -I led my government to increase for the first time in many years the budget for homeland defense. So today, here with you, with John, Mike and all my distinct friends and guests, I make a pledge. I will give back a strong Japan, strong enough to do even more good for the betterment of the world. (Applause.) Thank you.

The Japanese voters have given me a renewed opportunity as prime minister to turn my tasks into reality. Each morning I wake up with a slim and somber sense of tremendous responsibility. Now, there is something called "Abenomics." I didn't coin the word – (laughter) – (markets?) did. It is a name for my three-arrow economic booster plan.

In Japan, deflation has gone on for more than a decade. My plan, or Abenomics, is to get rid of that, first and foremost. Indeed, it has made a jump-start.

The first arrow: I urge Bank of Japan to do their job on a dimension they thought they couldn't do. Investors, both Japanese and foreign, have started to buy Japanese shares. Japan's industrial wheel – better greased due to export growth. Total stock index has risen as a result.

The second arrow is to carry out our supplementary budget (sure?) enough to lift the economy by 2 percent and create 600,000 jobs. The third one is about growth strategy. Private consumption and investment will come much sooner than we expected.

So far all economic indicators point north. True, we have shot those arrows before but only in timidity and incrementally. In my plan, the three arrows are strong and fast and being shot without any interval. Soon Japan will export more but import more as well. The U.S. will be the first to benefit from that, followed by China, India, Indonesia and so on.

That is not the end of the story, though. A task even graver remains. That is to enhance Japan's productivity. It is to restore Japan's economic structure. Women should be given much greater opportunities. The big savers, mostly aged population, must be able to give their money to the younger generation with smaller tax burdens, which is exactly what my government is now doing.

Before conclusion, let me make a few words on China and then define how I view the Japan-U.S. relationship.

About the Senkaks (ph), first, history and international law both attest that the islands are Japan's sovereign territory. After all, for the long period between 1895 and 1971, no challenge was made by anyone against the Japanese sovereignty. We simply cannot tolerate any challenge now and in the future. No nation should make any miscalculation about firmness of our resolve. No one should ever doubt the robustness of the Japan-U.S. alliance.

At the same time I have absolutely no intention to climb up the escalation ladder. In fact, my government is investing more into people-to-people exchanges between Japan and China. For me, Japan's relations with China stand out as most – as among the most important. I have never ceased to pursue what I hold mutually beneficial relationship based on common strategic interests, with China. The doors are always open on my side for the Chinese leaders.

That leads me to say finally a few words on our mutual ties between the U.S. and Japan. In order for us, Japan and the United States, to jointly provide the region and the world with more rule of law, more democracy, more security and less poverty, Japan must stay strong. That is my first point. I have started to revisit our national defense program outline. Our Defense Ministry will get an increased budget, all in order to do just that.

Looking back, it is remarkable that the bond we have developed between Japan and the U.S. has weathered bad days and good, rain or shine, to have lasted for well more than one-fourth of the entire history of the United States. Yet that should not surprise anyone. The United States, the oldest and the biggest maritime democracy, and Japan, also Asia's most experienced

and the biggest leader of democracy that is also an ocean-goer, a natural fit. They have been so for many decades, and they will remain so for many more decades to come. Some say now the biggest emerging market is, in fact, Middle America, like Dakotas and Carolinas.

Now, in conclusion, ladies and gentlemen, my task is to look toward the future and make Japan the second-biggest emerging market in the world, and the even more-trusted partner for the region and the world.

The road ahead is not short; I know that. But I have made a comeback just to do it for the betterment of the world. Japan should work even harder, and I know I must work hard as well to make it happen. So, ladies and gentlemen, Japan is back. (Laughter, applause.) And keep counting on my country. Thank you very much. (Applause.)

MR. GREEN (?): Prime Minister, thank you very much, and welcome back. (Laughter.) We'll take questions. Please ask the questions in English; the earphones are only Japanese to English, so please ask the questions in English. Keep them short. And to set the standard, I'm going to turn back to John Hamre.

MR. HAMRE: First, Prime Minister, I don't know of an American president who could give a speech to the Japanese public in Japanese. (Scattered laughter.) So I want to say thank you. This is a real honor that you gave us with your speech in English. Thank you. (Applause.)

Prime Minister, I did, about an hour ago, receive a phone call from the National Security Council. They said it was a very good meeting; they extended the meeting that you had with the president and felt it was quite constructive. But they didn't tell me what you talked about. And so I'm wondering, would you share with us, you know, your insights, your perspective on the conversation you had with the president?

PRIME MIN. ABE: (Through interpreter.) Today's meeting was attended by Vice President Biden and also the secretary of state, Kerry. And basically, we discussed how we would strengthen the alliance that exists between our two countries. And our discussions – as a result of our discussions, we were able to share not just the understanding that we have to strengthen our alliance, but in concrete ways to – in which we would achieve that. We were able to agree completely on those things between the two of us.

And I think the bond of alliance between Japan and the United States, which tended to waiver a little bit during the past three years, now I can - I can declare with confidence that a strong bond of - alliance between Japan and the United States is back now. It's completely back.

And we were able to discuss many issues, wide-ranging issues in the area of politics, regional issues, economics and we talked about how we would deal with many issues in those areas so – based on a strong alliance between our two countries.

This is one example, but on the issue of North Korea and the launching of missiles and the conducting of nuclear tests by North Korea, we agreed that we would deal with this issue under – in a cooperated way, we would resolutely deal with that issue.

For example, we would jointly pursue a Chapter 7 Resolution in the U.N. Security Council. We also talked about how we could strengthen our sanctions, including, for example, financial sanctions being applied to North Korea. And concerning the Asia-Pacific region, we agreed that we have to work together to maintain the freedom of the seas and also that we would have to create a region which is governed based not on force but based on an international law.

MR. GREEN: Yes, sir.

Q: Thank you, Prime Minister Abe, for coming and taking my question. I'm William Kehoe (sp). I'm a student at American University. And I conducted a research study to examine how the next generation of Americans views the U.S.-Japan relationship. And the greatest problem I found was a lack of awareness of what's going on with the U.S.-Japan relationship and what's going to happen moving forward. So I was wondering if you could address your plan to make sure that the next generation understands the rich history our two countries have had so that we can continue that.

PRIME MIN. ABE: (Through interpreter.) Well, I would like the people from the younger generation to pay more attention to the alliance that exists between Japan and the United States. And we did – I said this in the meeting with the president today, that a stronger United States leads to a stronger Japan, and a stronger Japan leads to a stronger United States. And this leads not only to the promotion of our respective national interest, but also to a lot of things that we can do together in areas like the Middle East or Africa or at the United Nations. And our two countries can do things together in working in these areas to create a better world. So, moving forward in the future, I would like people to think about those things.

In concrete terms, the U.S. forward deployment strategy in the Asia-Pacific is the linchpin of peace and stability in the region, but at the same time, that is – the presence of U.S. Forces Japan is what leads to peace and stability in the region, but Japan is what provides the possibility for that to happen as well.

I don't think there's any other country in the world that has the willingness and the technology and everything that's necessary to serve as a – the port for the  $7^{th}$  Fleet.

Q: Mr. Prime Minister, it's good to see you again. Victor Cha from CSIS and Georgetown.

You mentioned in your speech about North Korea, and I'd actually like to ask you about South Korea. We have a new president in South Korea going to be inaugurated next week, Park Geun-hye. But at the same time, frankly speaking, it's a period of some difficult tensions in Japan-South Korea relations. So I guess I would like to know what your vision is for the future of Seoul-Tokyo cooperation in the face of many of the threats that you mentioned in your speech.

PRIME MIN. ABE: (Through interpreter.) First of all, I would like to say that Korea – South Korea is the most important neighbor for us. And President-elect Park Geun-hye – I have had – I met her twice, I've also had a meal with her actually, and my grandfather was best friends with her father, President Park Chung-hee. So – but at the same time – so President Park Chung-hee was someone who was very close with Japan, obviously.

But at the same time, we do have the issue, the territorial issue of Takeshima between Japan and the United States. But while we have those problems – oh, I mean, sorry, Japan and Korea – (laughter) – yeah, Japan and Korea – whenever I open my mouth, I say United States – Korea. But even with the existing of those issues, the relations – the economic relationship, the economic ties between Japan and Korea is very strong. People-to-people exchange is very strong. So the ties between Japan and Korea is something that cannot be severed.

And also in dealing with the North Korean issue, I think the relationship that we have with South Korea is extremely important, the cooperation that we can achieve between these two countries. So while we have the – while we do have the Takeshima issue, I would like to try to work to resolve these issues and have a – resolve these issue and have a good relationship with Korea. And I am – my government is planning to dispatch the number two, the vice prime minister, and the finance minister, Mr. Aso, to participate in the inauguration ceremony, which is planned on the 25<sup>th</sup> of February.

MR. GREEN: (Off mic.)

Q: Thanks very much, Mike. Thank you, Mr. Prime Minister. Chris Nelson, Nelson Report. Thank you for a speech with so many good sound bites. Very helpful for all of us back here.

A question on the China-Senkakus issue: Are there things that you would like to have the United States say or do that have not happened yet? Have you conveyed to the president some wishes for perhaps something more in either actions or statements, and if so, what might they be? Thank you.

PRIME MIN. ABE: (Through interpreter.) On the Senkaku issue, the Obama administration are – has already made clear that Article 5 of the Japan-U.S. Security Treaty applies to Senkaku, and they have also made clear that they oppose any unilateral action to undermine Japan's administration of the island, effective administration of the island. And maybe this is not just limited to the Senkaku issue but on the issues of the seas, I think it is important that we do not tolerate people's actions when they try to alter the status quo based on force. That is what is necessary. And on the Senkaku issue, our intention is not to ask the United States to do this or that or to say this or that. We intend to protect our territory. Senkaku is inherently Japanese territory, and we intend to continue to protect our own territory well into the future. At the same time, our intention is to deal with this issue in a reserved manner. We have been dealing with this issue in a reserved fashion, and we will be doing so in the future. But we think that this issue should not be escalated. We cannot – we do not agree to that kind of an approach.

MR. GREEN: I'm trying to look – I'm sorry, I know the Japanese journalists have a press conference later, so I'm trying to look for non-Japanese journalists, and they're all bravely putting their hand up.

Yes, sir, over there in the back.

Q: Joe Bosco, senior associate with CSIS and formerly Defense Department.

MR. : (Off mic.)

Q: Thank you. Thank you, Mr. Prime Minister, for sharing your – for sharing your reassuring message about Japan's intention to return to the world stage and play a greater international responsibility. You mentioned that you and President Obama agreed that the North Korea nuclear threat requires probably a Security Council Chapter 7 resolution. What is your expectation of China's role in that deliberation, and do you think that China has played an enabling role with North Korea's missile and nuclear program?

PRIME MIN. ABE: (Through interpreter.) Well, I believe that China is a country – the country with the biggest amount of influence over North Korea. And I think in implementing sanctions, I think we need the cooperation of China, and also in our efforts to adopt a Chapter VII sanctions resolution in the U.N. Security Council. Since China is a permanent member of the Security Council, we need cooperation from them as well.

And when we look at the recent missile launch and the nuclear test by North Korea. We have to look at these not as single events but in combination, because they have increased the range of their missile immensely and they have obtained the ability to reach even mainland United States.

And they themselves have said that they have made their nuclear bombs smaller and that they've obtained the capability to deliver it on a missile. This is what North Korea is saying. But at the same time, I believe that they are working and moving towards obtaining those kinds of technology. And this is why, I think, that – the reason why the United States is pressuring China to exert more influence over North Korea. And I think the important thing is for the entire international community to work on China towards that end.

MR. HAMRE: Mr. Prime Minister, Japan is back. Japan is back, and it has a strong leader. And America is your partner. And we will always be your partner. Would you all please share with me your applause and thanks for the prime minister's presentation? (Applause.)

Please – everybody please stay seated because we need to let the prime minister get out. It's a security thing, OK? So please stay seated, and his escort's going to take him out. Thank you all for coming. We're delighted to have you here. (Applause.)

(END)