

【Speech by Mr, Nobutaka Machimura】

Challenges for the Abe Administration

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Ladies and Gentlemen,

thank you very much for giving me this wonderful opportunity to be with you today. Having been a foreign minister in the previous Koizumi administration and a strong supporter of the present Abe administration, I would like to talk about the challenges for the Abe administration.

First of all, let me briefly touch upon the political environment that faces the Abe administration right now. The approval rates of past prime ministers in Japan's history were usually about 30%, although Prime Minister Koizumi's popularity was an unusual high of 50% on average. The approval rate of the Abe administration has been stable at around 40% for the last two to three months. Although there were inappropriate remarks by some Cabinet members, minor scandals, and lack of experience in the administration, Prime Minister Abe himself has made it through unscathed. Prime Minister Abe has the full support of the Liberal Democratic Party's largest faction, of which he belongs to, and I, as the leader of this faction, am the first to stand firmly beside him.

The basis for the stable public support lies in Japan's economy. In Japan, we currently have the excellent condition of cooperate profit, active investment in production, decline of the unemployment rate, and "super" price stability. The GDP growth has been continuing for 64 months, and this growth surpasses

Japan's record after WWII.

In domestic politics, Prime Minister Abe is enacting legislation concerning issues of his major concern, like security and education. His foreign policy has also been met with approval by the Japanese people. He has substantially improved the relationship with China and South Korea by visiting these countries immediately after his inauguration. In his first visit to the United States as the Prime Minister this April, Prime Minister Abe agreed with President Bush to strengthen the "invaluable and irreplaceable Japan-U.S. Alliance."

The biggest issue at the moment is the Upper House election in July. The current situation gives little ground for optimism; however, Prime Minister Abe intends to win full public support by engaging in strong initiatives. When he prioritizes initiatives, what Prime Minister Abe always has in mind is to make Japan a "beautiful country". On the domestic front, the following are Prime Minister Abe's major initiatives:

- New strategy for economic growth
- Re-structuring the social welfare system, including medical service and sustainable pension
- Fiscal reform by reducing expenditure both in national and local governments and improving revenues through tax reform
- Global warming countermeasures in tandem with international initiatives
- Constitutional amendment
- Educational reform

When we look at foreign policy, Prime Minister Abe faces these various challenges:

- Realignment of US forces in Japan, especially the relocation of the Futenma Air Station and the US Marine's relocation to Guam. We have enacted legislation to finance this project yesterday
- Promotion of Missile Defense
- The constitutional issue of the right to collective self-defense.

Last week, Prime Minister Abe established a panel of intellectuals to give consideration to this issue

- Protection of confidential information related to foreign and security policy.
- Japan's National Security Council. Prime Minister Abe intends to pass a law to establish this new structure
- Strengthening intelligence capacity across the entire spectrum of government agencies

Prime Minister Abe's reform initiatives, which I have described here, stem from his own political conviction that Japan should depart from Japan's post-war regime. In fact, he explained to President Bush when they met in April that this is the mission his administration needs to accomplish during his tenure.

Then, you may ask: What is Japan's post-war regime? Although there is no specific definition, I believe that this means the basic structure created by the Allied Powers in Japan after its defeat in WWII. To prevent Japan from going to war again, Article 9 of the Constitution, stating absolute pacifism, was introduced. Japan's military and intelligence organizations were demolished, and patriotism was denied.

Influenced by this, the Japanese public expressed strong opposition against re-armament, even when the Allied Powers changed their position and argued for Japan's re-armament during the Cold War. Since then, the international community has viewed Japan as a "pacifist country" which has stopped thinking about its own course in foreign policy and leaving its diplomacy in the hands of the US while focusing only on the management of its economy. Then because of its success, the structure of the economic industry became fixed and inflexible, leading to what we call "the lost 10 years." Ten years during which the Japanese economy has failed to progress. Today, the Abe Administration intends to rise above these past restraints and reinvigorate Japan's political and economic capacity.

From the viewpoint of the United States, Japan's value as

an ally will be enhanced if it removes constraints such as restrictive Constitutional interpretations and pacifist sentiments and implements structural economic reform for growth. I understand that President Bush highly appreciates Prime Minister Abe's course of action. This has further enhanced their already solid and trusting relationship. While the Koizumi-Bush relationship was based on their personal chemistry, the Abe-Bush relationship is based on their shared political convictions.

Ladies and Gentlemen,

with this relationship of trust as a foundation, Japan and the US have been closely coordinating their foreign policy toward East Asia.

North Korea's nuclear weapon and missile programs pose the most immediate threat to Japan's security. The issue of North Korean abductions, which is a crime committed by the state, is also at the center of public concern in Japan. The six party talks creates a good framework in which to address these issues, but the Japanese public has expressed their dissatisfaction and anxiety about the US's stance, which is regarded as favoring accession to North Korea. Some people even have concerns that the US takes a different position against North Korea because North Korea does not pose a direct threat to the US.

With these concerns in mind, Prime Minister Abe had an intensive discussion with President Bush, and they reaffirmed that both countries maintain the same position on North Korea. In other words, it was confirmed that the objective of the six party talks is the complete dismantlement of North Korea's nuclear programs. We cannot be satisfied with only the suspension of nuclear activities, the disablement of nuclear facilities or cessation of further nuclear proliferation from North Korea.

For complete dismantlement of its nuclear programs, it is necessary for North Korea to make the strategic decision to give up being a "rogue state" and to abide by international rules. In order to make this happen, it is of paramount importance for the

other five states to engage in dialogue with North Korea and exercise full pressure, including the use of economic sanctions, if necessary. Salami-slicing concessions to North Korea will never lead us to the complete dismantlement of its nuclear programs.

Certainly, negotiations are necessary and flexibility in the negotiations is also necessary. But we can't compromise the principle. Removing North Korea from the list of terrorist-supporting countries is a matter directly related to the principle. If the US removes North Korea from the list at a premature stage, the Japanese people would feel that the US is letting them down. .

Now, allow me to discuss the Japan-China relations.

The Japan-China relations have improved significantly. I remember my visit to Beijing in April 2005 and to the meeting with then Foreign Minister Li Zhaoxing. It was after the violent anti-Japan demonstrations in Beijing and Shanghai, and at that time I saw police officers in town standing on every street as if martial law had been proclaimed.

At that time the world attributed the cause of this tension to former Prime Minister Koizumi's visit to Yasukuni Shrine. However, from my perspective as the Minister of Foreign Affairs from 2004 to 2005, it was rather the "normalization" of Japan's diplomacy toward China which made China take a hard line.

Let's take a look at some of the events of this "normalization":

- ① Firstly, in response to the intrusion of Japanese territorial waters by a Chinese submarine in November 2004, Japan, probably for the first time after WWII, demanded an apology from China, and finally won it.
- ② Secondly, Japan and the US stipulated, in the written Joint Statement of the 2+2 Meeting in February 2005, "the peaceful resolution of the Taiwan Strait, which irritated China. It was not the language, but Japan's involvement itself in this issue that China found intolerable.

- ③ As Foreign Minister, I had also decided to stop providing official aid to China by 2008, as China had and has been providing huge amount of aid to other developing countries.
- ④ Japan, together with the US, took the very tough position of opposing the lifting of the EU arms embargo on China. As a result, the EU has not lifted the embargo yet.
- ⑤ Japan's efforts to become a permanent member of the UN Security Council faced strong opposition from China, because China saw our action as a challenge to the predominant position of China.

Objectively I think that each one of these actions is the natural behavior of Japan as a sovereign country. However, I suppose China was not able to tolerate such “normalization” of Japanese diplomacy toward China and tried to stop Japan's departure from its post-war regime.

Although I cannot recall any enjoyable moments in the relationship with China as the Foreign Minister, during this difficult time trade between Japan and China actually expanded and surpassed that of Japan and the US, and the number of people exchanges increased to more than 4 million a year, which is more than 10 thousand a day. At the same time, both Japan and China confirmed that the continued tension in their relations were not beneficial to either country. I think China has adjusted to the reality that Japan will no longer be as compliant as in the past.

Following Prime Minister Abe's visit to China last October and Prime Minister Wen Jiabao's visit to Japan in this April, the relations between Japan and China have improved substantially. I also visited China again this April as a member of Japan-China Friendship Parliamentary Federation, and I was received with the fullest cordiality, very different from my 2005 visit. It is truly the second advent of an era of friendship between Japan and China with both countries agreeing to build a mutually beneficial relationship based on common strategic interests. A good relationship between Japan and China is good for both countries,

good for the United States and good for the world. It is therefore of paramount importance to enlarge and widen the common strategic interests of both countries, for the time being, mainly in the economic field.

However, the issues which really need to be addressed have yet to be resolved:

- The development of offshore gas fields in the East China Sea
- China's improved environment for incoming investment
- The environmental problems in China, including the water contamination and air pollution affecting Japan
- The disagreement about common historical views. However, on this point China has changed its stance, and Prime Minister Wen has agreed to announce the statement that China appreciates Japan's post-war course as being peaceful and appreciates the apology which Japan has expressed since the end of WWII. The next step will be for China to face squarely with its own history.
- China's acquisition of resources from other countries, and its aggressive use of foreign aid for this purpose

Moreover, a matter of critical concern is the rapid increase of China's military budget for a long period (more than a 10% increase for 19 consecutive years ), the advancement of its nuclear capabilities, the improvement of air and naval power, and the destruction of satellites . China's intentions are not clear.

At the same time, there is also the risk that China's economy might be in trouble. In China, income discrepancy and regional gaps are overwhelming, and the society lacks a social safety net. If economic growth, which is the major factor legitimizing the Communist Party, wanes, the governance might be shaken. This is the fundamental risk which democratic countries never have. I am sure that Prime Minister Abe shares this basic perspective with me.

Where is China going? We should be cautious about relying on China excessively in the management of East Asia. But just because such risks exist, both Japan and the US need to engage

China in the international community by inviting China to abide by rules established by the international community and to become a more responsible member in the international community. This is one of the major challenges for the Japan-US alliance.

Ladies and Gentlemen,

as I have described so far, the Japan-US alliance is the basis for tackling the problems in East Asia. This alliance is invaluable and irreplaceable for both countries. While it is self-evident that the US continues to be indispensable for Japan, the US cannot cope with issues in East Asia without the alliance with Japan in the midst of the rise of China. Both countries need to redouble their efforts to strengthen this alliance. Prime Minister Abe, through his efforts for departing from Japan's post-war regime, will enhance the value of Japan as the most important ally of the US in the region.

The Abe administration will certainly play a pivotal role in such a critical moment of this alliance.

Ladies and Gentlemen,

Thank you very much for your attention.