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JAPAN IN ASIA:
AN ADDRESS BY ICHIRO FUJISAKI, AMBASSADOR OF JAPAN TO THE UNITED
STATES

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Introduction:

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Featured Speaker:

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P R O C E E D I N G S

MR. BUSH: Why don't we go ahead and get started. My name is Richard Bush and I'm the Director of the Center on Northeast Asian Policy Studies here at Brookings. And it's my great honor on behalf of my President Strobe Talbott, who is in India and couldn't make it back for today's event, to introduce our speaker.

They say that all good things must come to an end and so regrettably it's time to say farewell to our good friend Ichiro Fujisaki, the Ambassador of Japan to the United States, at least in his official capacity. Ambassador Fujisaki has served his country very well over the decades of his career. He has worked to broaden, deepen and strengthen the US-Japan Alliance. And in that task he was most challenged a year and a half ago in the wake of the Tohoku tragedy. But's our real honor here at Brookings to host him for today's talk.

We certainly hope that it won't be the last time we seen him at Brookings. The plan for this afternoon is that Ambassador Fujisaki will give his remarks and then we'll have some time for questions and answers which will be moderated by my colleague Mireya Solis, who's our Phil Knight Chair in Japan Studies.

So, without further ado please join me in welcoming Ambassador Fujisaki.

AMBASSADOR FUJISAKI: Such a big crowd. Wow. As Richard Bush was saying I'm leaving soon and I thought this was something like a commencement exam. And my only desire was that I would flunk the exam and Richard would say, "No, you can't leave," but he's not saying that.

I'm going to be staying for another month because your election is there and I think I'll see through the election. Looking forward to tonight's debate as well. And as Ambassador here, diplomat here, in Washington I was in a breakfast meeting as well

this morning. I'm always encountered with a question, "Which candidate does your country like?" "Which country do you prefer?"

A standard answer for a diplomat, do you know what it is? It's like a Christmas gift. You don't say anything till the day you open the box and say, "This is just what I wanted." The only difference is that you can't get the receipt and go and change it. No.

Well, I've been here four and a half years and I often encounter friends saying, "This four and a half years was such a quiet one for you wasn't it?" And I am a bit puzzled at first. Why do they say that? And come to think of it maybe that's because of me. Because in Washington, I don't know why but I encounter people and they say, "How are you doing?" I would say and they would say, "Oh, I was busy. I was in Beijing. I was in Tokyo, I was in Tel Aviv." And everyone, this is such a nice sound but everyone has to be 80 percent out of town travelling all the way. And so, I made a rule to say that when I am asked, "Oh, nothing's happening. It's so quiet." That was my rule.

So, now people would ask me that, "Oh, you had such a wonderful, quiet four years." And it's not that exactly that. There were some things too in those four and a half years. And I would just touch upon three of them.

First, the biggest thing happened was this 311 disaster, earthquake, tsunami and nuclear accident. Such a huge accident that no humankind has ever experienced. And one week after that, not even one week, four days after that, Strobe Talbott, Richard Bush was kind enough to invite me here and I was able to convey what was happening in Tokyo, in Japan and also convey our gratitude. So, I will not repeat it but we are now on the road to recovery thanks to American people.

People around the world helped us but on top of the list were Americans. American soldiers, American government, American people, American Church, American

NGOs, American kids as well. So, Japanese people never forget the friendship shown by Americans. So, again I would reiterate that from bottom of the heart representing all Japanese. Thank you very much. *Arigato gozaimasu.*

One small report about this 311. There were a lot of debris in Japan but some floated out to the Pacific. Still floating and there were concerns expressed especially on the west coast. So, we have studied this. Discussed with Tokyo and came up with a proposal that is to extend \$5 million and this was expressed by Prime Minister Noda to Secretary Clinton in Vladivostok a month ago. We don't have any legal obligation but we know one that much of that is from Japan, secondly, we were helped enormously by Americans. So, it's a token of gratitude that we will be trying to help this debris issue.

We don't know how it will be real effective debris will be but finally because we thought there's Alaska, Washington, Oregon, California and Hawaii that would be mainly affected. On this 311, I would touch up on two issues regarding that. One is economy and one is energy, of course related. Economy, it has a practice is some part of the world saying that Japan has been stagnating for two decades. Some people would say that's because of weak leadership in Japan.

A very respectable magazine, *Economist*, I think many of you read, at least subscribe. I'm sorry, had covered last year, some of you may remember this one. This is President Obama and Chancellor Merkel plotting something. I think they want to make it like kimono yukata but it doesn't like to me but the message is that don't try to follow the step of Japan. Economic prowess, political prowess is there. We shouldn't follow the step of Japan.

I think this is an exaggeration. If you look at the economy of Japan, after we changed the policy of the economy to deregulation restrictioning around the change of

the century, turn of the century. From 2003-2008 average GDP growth for Japan was one point eight percent. Euro zone was two point one. The US was two point seven. So, Japan was lower than Euro zone or United States but it was within one percent point range.

However, in 2008 Wall Street crash started. That started from this country but hit Japan most because Japan produced products that were automobiles or electronics where you can wait to buy. So, Japanese industrial output went down by 22 percent in 2009. Trade, export went down by 33 percent. GDP went down by five point five percent. The lowest in 50 years, 2009. And as a comeback kid, we started to come back again in 2010. GDP growth was four point four percent.

Some of you may remember, have a good memory. No, it's two point two, 22, 33, five point five, four point four, so it's easy to remember isn't it. No, and then this 311 came. We were to grow in 2011 by one point seven percent but it went down to minus zero point six. So, that we are again on recovery road. 2012 we are looking at two point two percent but you can see how big the effect was of this 311.

So, I'm not attributing everything to external causes but without taking into consideration this effect of Wall Street crash and 311 and just say that Japan has been stagnating is a little too simplistic view. Now, talking about economy I have to touch upon trade. And 20 years ago, 70 percent of US trade deficit was coming from trade with Japan. Now it's down to 10 percent. The biggest country which is making US trade of course is China. Next is Euro zone and third is Mexico and we are number four.

So, we don't hear about trade friction. So, now what we are talking about is more a future oriented positive issue regarding trade. And the issue ahead of us is whether Japan should join Trans-Pacific Partnership, TPP, they call. We have not decided yet but I would like to put out two or three points that is important. According to

basic policy we have made clear that while taking into consideration the sensitivity of products. We would put everything on the table for trade liberalization negotiation.

Second, we will try to have high ambition in the negotiations. Third, we will not try to delay it, the negotiation if we are going into the negotiations. So, there may be misunderstanding that Japan is saying that we're not putting everything on the table or whatever but the basic policy that government has adopted clearly stated that. What I would like to see is that all the countries including the United States would not try to raise the bar for others to get into negotiation. Let's do the negotiations on the negotiating table not before the entrance fee.

Now, second on energy, energy is a huge issue. In 2010 the government adopted a basic policy in which at the time dependency on nuclear power generation was 26 percent of our electricity. And the plan was by 2030 we would double it, the dependency, to about 50 percent. That was the plan adopted in 2010 but one year later this 311 happened. Changed the scene dramatically. Totally changed the scene.

311 was a big accident however it was very different from Chernobyl. In Chernobyl nuclear reactor exploded there was no container vessel. So, radioactive material discharged in Chernobyl was seven times larger than Fukushima Daiichi. There was immediate more than 30 people died. No death toll in Fukushima immediately. So, it's very different accident but still it had a huge impact. Come to think of it there were three miles in United States and after 30 years, US was not able to make a single nuclear power plant on US soil. So, accidents have a big impact.

After that impact of the accident, Germany said they would retreat from nuclear power generation. Swiss said they would retreat as well. Italy, they didn't have any but they said they would retreat as well. And France, President Hollande, when he was candidate said he would decrease the dependency on nuclear from 75 to 50. And

Japan, now if you look at polls, about the average 30 percent of people think that they should, Japan should abandon nuclear power generation. 40 percent say that we should decrease the dependencies. Altogether 70 percent think that we should not maintain the current level.

So, the Ministers concerned came up with a plan saying that it's not a Cabinet decision. It's all Ministers concerns of you that we should aim at exerting utmost effort to attain nuclear zero in the 2030s. Business communities are not totally with it. But so, we have to really define our energy policy in the years to come. This is a very basic issue that relates to the economy as well. And we have to cope with two or three very important issues. One, how can Japan be competitive in world market without that power generation?

Second, alternative sources like natural gas. US has not started to export it to Japan because of Natural Gas Act and Department of Energy's reviewing it. And some of the senators are saying they should keep it in the United States in order for the prices of energy. But Japanese Prime Minister said he would like to have United States starting to export natural gas to Japan. And the President said it's under study so he cannot say it but he shares the concern that Japan's energy security is important for the United States as well. This was April 30th this year.

Thirdly, issues that we have to keep in mind is that if all these countries, France, Japan and others that I have mentioned is decreasing the dependency on nuclear, those who will be increasing and who could continue to supply in the future will be very limited countries like Russia, Korea, Republic of Korea, China. So the implication of that in world politics economy has to be evaluated as well. But I'm not drawing any conclusion up that we have to cope with these issues. This is what I'm saying.

Now, turning to security issue, this is what we had to face. Some three

years ago there were discussion about East Asian community and these countries in Asia should look at the possibility of having a community. Now I don't hear that too much. I think anything; the notion that anything in Asia should involve the United States is more there. I'm not saying that it's -- there's a consensus that I think predominantly so. And US presence is more and more appreciated. We had an issue of relocation of Marine Air Force Base, air station called Futenma in the southern part of Okinawa to northern part of Okinawa. This has been negotiated for years and we have come to conclusion but when our new government came in we started to review this again. But after less than a year came back to somewhat similar conclusion.

And this year, in April we came up to new approach that was that originally the idea was to link, make it a package of US force realignment from Okinawa to Guam, the relocation and return of some of the smaller bases south of Ocarina in Okinawa should all be in one package but we decided to delink it. That is the agreement between two governments. This has a huge meaning.

One, we could go ahead and lessen the burden on Okinawa even if relocation may not proceed. Second, if US forces are to be deployed, not only in Okinawa but in Guam, Hawaii and some training in Australia as well, this and maybe elsewhere training, this will increase the flexibility and sustainability of US forces there in Asia-Pacific. So, I think we really made a significant step there.

I only hope that these agreements by the two governments will be endorsed by lawmakers in this country as well. Today East Asian situation is getting attention. Sometimes I have all the respect for *Economist* magazine. I have nothing against so please don't make a mistake especially there's cameras so I have to be very careful. But *Economist* has this kind of cover, "Could China and Japan really go to war over these?" That's not going to happen. That should not happen as well.

I would like to say that yes there is attention now. The violence with Korea, with China, Taiwan but this is not started by us, by Japan. And we have a good historical and legal position on these. However, opposition is very clear. We are not going to raise tension and try to take it up emotionally. We would like to calmly deal with this. I have written a piece on *Huffington Post* of my view yesterday. So, if you, after this if you have time please take a look at it. Still on the blog page.

My view on this is to put it simple, I would call it three Rs. Register opposition very clearly, r, register. Second, restrain from using force or coercion on those matters. And third respect international law. That's the importance of how to try to deal with these issues. I've written that too but two weeks ago I was able to go to Sports Day of a Japanese language school. I said, my first foreign language is English. My second foreign language is French but if I were younger, 50 years younger maybe I would have picked Chinese or Korean, either for my second foreign language. And I advised kids that these issues should be dealt by adults. You make friends with the kids of Chinese descent or Korean descent.

Now my last point about culturalizations. I was so lucky as an Ambassador here because we had cherry blossoms. Every March or April I thought I get a cold stare from my colleague Ambassadors. They are envious, jealous because they don't have it. No, that's not true. And especially I was lucky because we had a centennial this year. Hundred years of anniversary. We have prepared three years or so for that and that was a huge success.

I don't try to go into history a hundred years but just tell you that this gift was a gift from Tokyo people to Washington people. It was in the name of Mayor that that was paid by Tokyo people, citizens. So I dug into documents of Japanese as well as United States and found out that this was really the Tokyo citizens' gift. And I think that is

-- but however only four or five people really worked on that for years and realized that. So, I really thought that the individual's work can really make change.

And I would say that United States has received two important gifts. One is the Statue of Liberty in New York. The second is these cherry blossoms in Washington. It's not so decent to compare the gifts but if you try to compare it the Statue of Liberty has some merit because it's all year round there. Cherry blossoms are only one week. However, you can't distribute Statue Liberty to 50 states. The trees, you can plant them and that is exactly what we are doing right now. This year we have given to 36 cities the cherry blossoms. And I hope that these moves will continue. Maybe Washington would not monopolize now. But I don't think -- Washington people are generous so they don't mind at all. But this is a really important symbol of Japan-US friendship.

Talking about the cultural side, I often hear that this problem now, young Japanese are not coming to United States. This is often expressed. They don't have guts. They don't really take risks and they don't really look for adventure. I don't take that view. I think young kids are smart. They know what's good for their career. So, I tell to CEOs of Japanese companies when I meet them that please make a quota of foreign college graduate and let them into your big company and treat them as a cadet and not just as an interpreter. That's what I've been proposing.

The second thing is that all the college graduates in Japan has had eight years of English, three years in junior high, three years in high school, two years in university. Still many of my compatriots would not speak English. Why? I think there's some fundamental flaw in education. I'm not saying that US language education is so superb if I may say. I am still a diplomat for one month so I have to be careful.

Now, so, my proposal was that we should sent public school teachers,

Japanese Nationals, to United States for some time and let them go to college. And if these people go back, she or he will be teaching class of 30, five classes a year in 30 years, she or he will be teaching 5,000 students. What a great investment. If one's teacher gets better, 5,000 has the possibility to get better.

And Ex-Prime Minister said that's a good idea. Let's start it. And already I told them two years ago and he started already last year. And hundreds teachers came last year. Now, another hundred is here and I'll be meeting them next week too. I think this is small compared to the whole mass of teachers but we have to start from somewhere. And I think these projects have to be promoted.

Lastly, maybe some of you are beginning to think I am speaking so long to avoid questions. No, it's not so. So, I'll stop here but one thing I want to say is that one thing is encouraging between Japan and United States is that 82 percent of Japanese people feel affinity towards Americans. 84 percent Americans say they trust Japanese. That's a great number between two countries who fought 60 years ago and have very different cultural heritages. As long as people like or trust I think we can have an optimistic view on our relations.

I thank you very much for this occasion.

MS. SOLIS: Thank you so much Ambassador Fujisaki for your very insightful comments. And I know that the audience is very eager to ask their questions. We're going to transition now to the Q and A. But before we do that I'm going to abuse my power and the fact that I have the microphone and ask the first question.

AMBASSADOR FUJISAKI: I was afraid of that.

MS. SOLIS: And this really touches upon an issue that you discussed in your remarks, the fact that there are fewer Japanese students coming to the United States. And also ties into another point you made about the power of perceptions. And

you very compelling showed us this *Economist* cover about maybe the United States turning Japanese and the fact that the troubles of the Japanese economy have been overlaid. And I would like to suggest that there is another narrative out there. And that is that Japan is turning inward. And I think that touches upon the fact that we have fewer exchanges, fewer Japanese students coming here.

So this is a big picture question but it has two components. One is whether you think that this is a myth; that Japan is not in fact turning inward. That there could be policies like the ones that you highlighted that could address this and then we could have a very healthy level of exchange again. Or whether in fact there is a shift in the mentality of many young Japanese who may feel that Japan has become a very comfortable place and they don't feel compelled to take the risks of pursuing a career or studies abroad.

And the second question is if Japan is not turning inward and you, as one of Japan's top diplomats, thinking about the multiple challenges that we face in security, in economic relations and so forth, where, in which areas can Japan lead the way in say the next five or 10 years. If you're thinking about the key initiatives that Japan may put forward for the international community, what can we expect? Thank you very much.

AMBASSADOR FUKISAKI: First question, I think this inward looking question. I have asked a Japan Foundation colleague, are the Japanese students really decreasing, those who are going out of country? And I got the figure that except for US and UK it's not decreasing, it's increasing. So, it's a big of exaggeration to say that all Japanese kids are sort of inward looking and not going out. But of course we have to increase more to the United States and that is exactly what I'm trying to look at.

That is to create a job opportunity and also level up English so that they

can come. But I was very glad to hear what Mireya-san said because she said that Japan is such a comfortable place so that people would not like to leave. So, I am very happy that I am going back to such a comfortable place.

Now, second place issue, the policy of trying to contribute to international community. I think that will remain no matter party of Japan is there. Still Japan is number two in UN contribution. Number one being United States and number three UK, four France, Russia, China, but our contribution is France, Russia -- more than France, Russia, China added. That's point one.

Point two, the important sort of hotspots, soft belly or hotspots of the world -- Afghan, Pakistan, Palestinian, Iraq -- for reconstruction US is number one. Japan is number two in all these three countries in one area. So, we are continuing to do on that path. In 10 years it's rather difficult to see in the crystal ball but I don't see the reason why do we have to change the course. Thank you very much.

MS. SOLIS: Thank you so much. Now, we're going to start the Q and A. I would ask you to please very concise in your question. There are a lot of hands up. And if you can also identify yourself as well.

AMBASSADOR FUJISAKI: Please say that they can make a discussion and not question too. Some people can go on for 10 minutes to make a speech.

MS. SOLIS: No, no, no. Please disregard that. All right, please, yes sir. Wait for the mic. It's coming your way. This gentleman in the second row please.

MR. GRINDSTAFF: Hugh Grindstaff, THIS for Diplomats and we hate to see Ambassador Fujisaki go. The Ambassador and his wife have been really great for THIS. Thank you very much. *Domo arigato*.

But my question is Japan's aid for Burma. You're stepping in there where the US can't right now. And would you like to make a comment about that?

AMBASSADOR FUJISAKI: We may welcome very much the new policy of the Thein Sein government and that when Prime Minister Noda met the Prime Minister Thein Sein he stated very clearly that we will continue to step up the support to Myanmar. And we have dealt much of the debt issue that they had and it is true that we have limited our assistance to the humanitarian side for a long time in line with the international community. But we are very happy to see that the US is relaxing their sanction too. Thank you very much.

MS. SOLIS: This lady in the brown jacket. Thank you.

MS. CHO: Hi Ambassador, my name is Nadia Cho with the Liberty Time from Taiwan. I know you have served your country well and make many friends including my Ambassador from Taiwan. But like Assistant Kurt Campbell said the other day, the Daiyou and Senkaku Island dispute actually already caused some damage between Japan with China and Taiwan.

I wonder from your point of view how could Japan make up for this damage? And the second question that some people debate Japan's politics now is driven by the right wing groups. I don't know if you agree with this. From your point of view do you think there is a misunderstanding? Thank you.

AMBASSADOR FUJISAKI: I would congratulate the promotion of your boss. He's going back to a very important post I understand. Second as for the damage, I do not know. Your question was that how Japan should try to cope with that issue. I think both sides should take a look at in a very calm manner and not resort to emotion.

Now, how I look at this issue. As I said, I have written a piece yesterday so please take a look at it. My point is that this was not started by Japan and that we are, would like to really deal with restraint and not emotionally, not trying to resort to Nationalist sentiment. As for if Japan is going right, I have clearly addressed yesterday in

my yesterday piece. So please take a look at it Madam. Thank you very much.

MS. SOLIS: Just behind you, this gentleman.

MR. WAYNE: My name is Kent Wayne from (inaudible). Regarding the Senkaku Islands, yesterday on *The Washington Post*, they have a whole page of the Taiwan President Ma Ying-jeou have a proposal.

AMBASSADOR FUJISAKI: Did you print it?

MR. WAYNE: No, yeah. Ma Ying-jeou proposed a called East China Sea Peace Initiative. My question is what's your comment about this initiative? Thank you.

AMBASSADOR FUJISAKI: I didn't understand.

MR. WAYNE: The Taiwan President proposed an East China peace initiative. So I wonder what's your comment about his proposal.

AMBASSADOR FUJISAKI: I'm sorry. I'm not totally cognizant of the content of his proposal so I could not comment on it but my position as I said on this Island issue is very clearly stated in my piece. So, please take a look at it. Thank you very much, sir.

MS. WIN: Thank you Ambassador. My name is Jeannie Win. I'm with Voice of Vietnamese Americans. I thank you for the leading roles in Asia-Pacific. And from all the groups that you said Japan would like to maintain relationship with, I think you named US, Europe, and China and Russia and somehow I didn't hear Southeast Asia. So I would --

AMBASSADOR FUJISAKI: I'm sorry. Did I say that -- you said that Japan should maintain relations with the US, Russia, Europe, China, and did not mention South Asia? Did I hear you right?

MS. WIN: I did not say you should but I just said that maybe I didn't hear

what you said. Maybe I missed hearing you.

AMBASSADOR FUJISAKI: Yes, you missed it.

MS. WIN: Maybe you did say that but I missed hearing it.

AMBASSADOR FUJISAKI: I did not say that because Southeast Asia is very important for me.

MS. WIN: Thank you.

AMBASSADOR FUJISAKI: I was in Jakarta (speaking in Japanese).

MS. WIN: Do you think the climate there would be good for cherry blossoms too?

AMBASSADOR FUJISAKI: Thank you. Thank you very much.

MS. WIN: Well, I am coming back to my point.

AMBASSADOR FUJISAKI: Well, I thought I finished it.

MS. WIN: I thank you for the three Rs. I think that's very nice to suggest the three Rs. What is the three Rs? Register, restrain and respect. So, we would very much hope that constructively Japan would lead the way for Southeast Asia and China in any disputes from now on to respect the law of the sea. So would you please go a little more in detail as to what your vision is for Japan in the next few years?

AMBASSADOR FUJISAKI: Japan is not taking issue on the sovereignty issue of the Islands in South China Sea but we think that those issues should be dealt in accordance with international law. And that we hope COC, code of conduct, will be adopted as soon as possible.

MS. SOLIS: I'm going to take on this side of the table that gentlemen and then we'll go to you.

MR. BERGER: Thank you. Jim Berger from Washington Trade Daily and my question is about trade. And I just want to say I haven't asked a Japanese

Ambassador anything about trade in several years which is good. Anyway, my question deals with the TPP. When do you feel that the time will be right for the government to make a decision on TPP? And will that depend, at least in part, on how much progress can be made in the three-way free trade talks of Japan, Korea and China?

AMBASSADOR FUJISAKI: No, I think very frankly yes we have this trilateral discussion, China, Korea, and Japan discussing the possibility of a free trade area but as for TPP we hope that we can come to a smooth and early decision on whether or not we should join in the negotiations. However, one thing I would like to add is that it's not only Japanese decision. It's in consultations with other countries. And so, what other countries would ask Japan is important too. Thank you very much.

MS. SOLIS: And the gentleman standing up next to the camera, please? He has his hand up. Thanks.

MR. YU: Thank you Ambassador. My name is Dong Hu Yu with China Review News Agency of Hong Kong. And in your article published on *Huffington Post* yesterday you mentioned that the recent problem have not been started by Japan. Could you please clarify Japan here? Does it refer to the Japanese government or Japanese individual? Because from many American scholars' views this problem was stirred up by the Tokyo Governor who wants to portray the Daiyou Senkaku Islands.

How do you clarify the concept here? And secondly, the Chinese foreign ministry called for Japan to return to the position, recognize that there is sovereignty disputes over Daiyou and Senkakus. How would you respond to that? Do you think it's good will to calm down the situation? Thank you.

AMBASSADOR FUJISAKI: To your first question, I'm referring to Japanese government. As for the second point that you are saying, our position, the Japanese government's position is clear that Japan has been have a sovereignty over

these islands for since we registered in 1895 and that's no discussion about sovereignty. But what I said is that it's important that we should not make an emotional issue out of this. We should calmly discuss where we can on these issues. And always should respect law. And I'm not trying to say that Japan is trying to take unilateral measure on these issues. Thank you very much.

MS. SOLIS: Over here, this lady. Sorry I'm making you walk all the way out to the front. You can raise your hand so she can identify. Thank you.

MS. GOTO: Shihoko Goto with the Wilson Center. I actually was intrigued by the fact that you did not mention the power and influence that Japanese corporations have wielded in the past and are expected to wield in the future.

Firstly, is there any role the private sector can play in resolving the East China Sea dispute, for instance, by developing joint venture prospects to jointly tap into the natural resources there?

Secondly, you mentioned that there is no need to change the course in Japan on the future outlook over the next 10 years. That's what worked in the past should work moving forward. Do you believe that the power of Japanese corporations still lies in the manufacturing sector or do you believe that it can expand elsewhere?

AMBASSADOR FUJISAKI: As for Japanese business, I'm not representing the Japanese business community so I could not really speak on behalf of them but one thing I can say is that I hope these issues now under discussion should not really be translated into business or economic action by one country against other. And this should be totally separated. That is my position.

Now, as for our future course, I think that trying to work with the international community that policy should be continued but it is true that we have to adapt to a situation. And as for business community it is true that Japanese business

has problems because our neighboring emerging countries have a huge sort of company. Whereas in Japanese companies we don't have one country, one company style. And several companies are always sort of competing with each other. And if you ask me if we have a system like, I don't know if you call it system, but a system like well Silicon Valley where there's entrepreneurs, incubator, venture capital and all that. I think we still have not that in the level of California.

And I think we have to think about that as well. So, I'm not saying that we will stay there but so I think Japanese companies have to find the right way in between if -- where you have this very vibrant Silicon Valley type of economy here. You have one huge model of a huge corporation in emerging countries. So, I think Japanese companies have to find the right way of adapting to the situation. Thank you very much.

MR. GOODMAN: Matthew Goodman with the Center for Strategic and International Studies.

AMBASSADOR FUJISAKI: I thought Ken Lieberthal, Richard Bush and Matthew Goodman were not allowed to ask questions. They know everything.

MR. GOODMAN: I'll ask an easy one. A broad question which is you've observed US policy towards Japan of course, but also Asia more broadly over the last four years. And you're staying through the election. If you had a chance to meet President Obama or President Elect Romney on the day after the election, what advice would you give them? What would you leave behind as advice for what they should for the next four years vis-à-vis Asia and/or Japan?

AMBASSADOR FUJISAKI: I think what they have been saying all the way. I've been carefully watching and are quite right in saying that they would put emphasis on the relations with the allies or the likeminded countries. And then discuss with others. And I think that kind of approach, to try to align with your friends first is very

important. Sometimes I feel that some politicians try to look for something new and go out and seek something new and forget a bit about good old partner. But I don't think that's happening with either Mr. Obama or Mr. Romney. Thank you very much.

MS. SOLIS: This gentleman.

AMBASSADOR FUJISAKI: What else would I say too?

MR. SAND: John Sand with CTI TV of Taiwan. Mr. Ambassador I'd still like to come back to the attention in the East China Sea which still remains very high and very dangerous.

AMBASSADOR FUJISAKI: But half the population is from China or Taiwan?

MR. SAND: We are particularly interested in that issue. If Japan does not recognize that there is a sovereignty dispute over the Islands, what is there for Japan, China and Taiwan to discuss? You don't simply expect China and Taiwan to accept Japanese sovereignty over the issues even though we are talking about adults dealing with the issue not kids. This is my first question. What is the way out? Do you see the way out?

Second question, what do you think of the way that the United States has states its position over the Island disputes over the last few months? Thank you very much.

AMBASSADOR FUJISAKI: As for sovereignty issue that we have been stating sovereignty over the issue and as we have had effective administration over the issue is nothing new. We have been doing that ever since Okinawa reversion of 1972. So, one thing I have to make clear is that we are not starting something there to start a new position on that.

As for you asked the way out, I think we have to really soberly look at the

issue calmly but one thing is not to resort to using force, coercion and try to really respect each other. And not using too strong words I think is important. And I have recognized that, for example, Chinese administration has controlled the mob after 19th of September and I think this had been recognized. Thank you very much.

I'm sorry. US attitude. US attitude. US has been saying they do not take position on the sovereignty but have always stated that US-Japan security arrangements would cover those Islands. And I think that constitutes an important deterrence. Thank you very much.

MS. PARK: Junyoung Park from IISS. I'm also a South Korean National.

AMBASSADOR FUJISAKI: ISS London?

MS. PARK: We have an office here in DC.

AMBASSADOR FUJISAKI: Oh I see, I see.

MS. PARK: Yes.

AMBASSADOR FUJISAKI: I was there in London.

MS. PARK: I'd like to ask about other impediments to East Asian Security Corporation namely I guess different interpretation of the history. So, you know comfort women, the Yasukuni Shrine visits and some history textbooks, do you see any improvements on this issue in the future?

AMBASSADOR FUJISAKI: I hope so. Pardon?

MS. PARK: Would you elaborate a little bit?

AMBASSADOR FUJISAKI: These history issues are very important so we have been trying to utmost. I was myself 10 years ago, 15 years ago official in charge of those issues and we have worked on issues of women's fund in order to deal with these issues. So, we do not take it lightly. It's very important issue. And it touches

people's sentiment and it's not easy after you have been, you have suffered. It's not easy to say that I did this so it's okay. It doesn't happen that way so we have to continue to do everything we can and I think we have been doing that. But it's true that those who have suffered will not say that that's sufficient. It's very difficult, very touchy issue but I think we'll have to continue to work on those issues. Thank you very much.

MS. SOLIS: Please, this gentleman at the far end.

MR. LLOYD: I am Mr. Lloyd from Baltimore and my home country is from the Philippines. And I would like you to give a little bit of enlightenment to the public regarding the comfort women that we have in the Philippines. I know the different sectors of the Japanese government city by city are giving apology for this but what's the point of view of USA Chief Diplomat of the United States?

AMBASSADOR FUJISAKI: Well Japanese government has states its policy by the statement of Chief Cabinet Secretary and that still stands. And we have extended our apology. And when we were passing on atonement contribution or money to these comfort women we have sent, the Prime Minister has sent personally apology letters to those people accepting as well. So, it's not that some local community is doing it. It is our government's policy. Has been that way, yes. Thank you very much.

MS. SOLIS: That gentleman in the way back near the wall please.

MR. BRADEN: Thank you Mr. Ambassador. Patrick Braden from Global Future. I appreciate all your comments on such a wide range of issues and one issue that I feel that has been overlooked today is the international child abduction issue. And knowing that Barack Obama has raised it twice with the Prime Minister, Secretary Clinton has raised it about eight times, Assistant Secretary Campbell has raised it about 50 times, can you talk to us a little bit about the challenges in Japan to exceeding to the Hague and returning some of these illegally kidnapped American children being held in

Japan?

AMBASSADOR FUJISAKI: Thank you very much for raising that important issue. It was not so easy but we have decided to join the Hague Convention and was preparing the way. And put the draft law bill to our diet but because of domestic situation the bill did not pass. They did not expire the dates and so we have to try again. But the Japanese government is determined to do that. Thank you very much.

MS. SOLIS: Other questions? Yes?

MR. KIM: This is Soyoung Kim from (inaudible) Daily from South Korea. You said that you are not going to go to war over Senkaku or Daioyu. So what makes you believe so for sure? I'm wondering that it came from your intuition or gut feeling or you have some information about the Chinese government?

AMBASSADOR FUJISAKI: No, I have trust in the rationality of Chinese leadership as well as Japanese leadership. So, I think they should try to find the way. I do have any intelligence to share with you sir. But I have all the trust in the leadership decision and their prioritization of the issues. Thank you very much.

MS. SOLIS: Yes?

MR. LEONARDS: Thank you. Richard Leonards, American University. I'm trying to see the connections between oil policy, natural gas policy, electric policy and things like long term planning for transport for replacing automobiles with electric cars and your efforts to try to build bridges with the communities in the United States to lead that kind of technological innovation. So, where do you see happening in the next five years?

AMBASSADOR FUJISAKI: Some of them are separate projects but we have been promoting for example high speed railway and railway in this country because that would be energy efficient as well. And environmentally friendly as well and electric

cars it's environmentally friendly as well so that is the direction for the future. But some companies would think hybrid is the more realistic at the time but we have to see what would be the right energy mix.

But compared to if you look at some history, for example, in 1970s Muskie law was proposed in this country. And it was not adopted here. But Japanese government thought that was the way to go against the wish of big companies in Japanese automobile company. They said this is a huge burden to Japanese auto industry but then in the end it paid off because this was so widely accepted by consumers in this country as well. And helped Japanese auto industries to export and then now making more here in United States than exporting. So, many trials has to done and I think in energy, electric or whatever is a possibility as well and we have to find the right energy mix. Thank you very much, sir.

MS. SOLIS: Way back there's the lady, yes, thank you.

MS. JIN: Hi, Yu Jin intern with Brookings. So, Ambassador, I'm sorry for putting you on the hot seat but again regarding the Senkaku Daioyu Island, I have one question. So, was there anything that surprised you regarding either Japan government's response or China government's response towards the crisis? Or are you more or less predicted the proceedings? Thanks.

AMBASSADOR FUJISAKI: I am not an expert for predicting things and I don't have a crystal ball. So, I would not, and I'm not in charge of policy on that. So, I'm just an observer. And so, I would not try to describe my personal feeling on that but what I can say is that governments should always try to see that we cannot elevate the tensions of these issues to an extent that we cannot control them. And I understand that the Chinese will share that view too. If you ask me if I have any intelligence, I am not, I don't. But I have all the confidence in the rational decisions thinking of Chinese people.

So, I'm sorry I cannot say that about predictions. This is not what I am good at. Thank you very much.

MS. SOLIS: Okay, we are going to wrap up very soon. So, I see two hands. You had a second question, right? And you also had a question. So, if you could please first this lady and then the gentleman.

SPEAKER: Thank you. My question follow up the first one. What is your view on the deterrence alliance force in the Southeast Asia including Japan, the Philippines and all Asian country? The potential of forming a deterrence alliance with all Asian countries just to protect and support the prosperity of the region?

AMBASSADOR FUJISAKI: I think as for Japan, our constitution prescribes that we can use our force only for our self-defense. So, we are not trying into use the forces for the deterrence for other countries as well. But the fact that US has forces in Asia-Pacific, not only in Japan but in elsewhere, Philippines had Subic and Clark but not anymore. But had a deterrence over the region and I don't know if that will happen. But for Japan to see that countries, the as I said US forces dispersed. I'm not talking about Philippines here but Guam, Hawaii, Australia and widespread would increase the deterrence capability and sustainability of US forces as well.

MS. SOLIS: Thank you. And the last question.

MR. WINTERS: Steve Winters, local researcher. I just wanted to say a very famous person here wrote a book called *Diplomacy* and a lot of people for decades now have sworn by it. But in my opinion your example that you presented to us during your time here tells us more about diplomacy than any book. The question is this, with this latest Armitage-Nye report, Mr. Armitage has been very repeatedly stated that at least in their view Japan is facing a basic fundamental decision. Will Japan remain in their terminology a first tier country or are they going to not remain in that position in the

global framework? And I asked the very distinguished Mr. Packard over at SEIS about this.

AMBASSADOR FUJISAKI: George Packard?

MR. WINTERS: Yes. And he said, "Well I don't agree with that at all. I'm not a tier person." He said, "I don't think in those terms." But could enlighten us? Are people in Japan thinking in these terms or are they not thinking in these terms?

AMBASSADOR FUJISAKI: You mean you're asking me to choose between Packard and Armitage?

MR. WINTERS: No, no, no. These are Americans talking about Japan but tell us what the Japanese are thinking.

AMBASSADOR FUJISAKI: I think that when I saying that our basic policy towards the international community has been evolving. But on the steady course and we would not try to use forces. We would register position but we will try to utmost to cooperate with international community. For example, it didn't come up today but the Iran sanction we have been continuing to go along with although energy is so important still; we do everything that is required. And I think the first tier or second tier or third tier, whatever is some others to judge if you are first tier or second tier. And some -- I don't want to sound cynical or something but some countries would like to classify these in the government report or something that you are a Class A, Class B, or whatever. I think we don't do that, too.

And but it is true that we should continue to in our capacity do utmost to go along with international community to in foreign aid as well. Because this is the way that Japan could contribute and that is the decision that Japanese has made post war and I think that has really made Japan today. And the basic, this philosophy is not, I think, shaken. Thank you very much.

MS. SOLIS: Thank you very much, Ambassador Fujisaki. This has been a remarkable occasion and a wonderful discussion. If you could please join me in thanking Ambassador Fujisaki.

AMBASSADOR FUJISAKI: Thank you very much.

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