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JAPAN SOCIETY SPEECH
NEW YORK, NEW YORK
JUNE 14, 2010

In 1977, a man of extraordinary vision, a man respected by all who knew him, was appointed to serve as the U.S. Ambassador to Japan. This man was the former Majority Leader of the United States Senate, Mike Mansfield of Montana. In his first speech as the Ambassador, he made an interesting observation – now known as the Mansfield declaration – he said, “The U.S. – Japan relationship is the most important bilateral relationship in the world, bar none.”

Over the years, this Mansfield declaration has become the cornerstone of diplomatic relations throughout the world. It is still recognized and adhered to. For example, the first nation the new Secretary of State, Hillary Clinton, officially visited was Japan. The first head of state invited by the new President, Barack Obama, was Prime Minister Aso of Japan. These events sent a strong diplomatic message throughout the world.

Ambassador Mansfield was the longest serving Ambassador to Japan, from 1977 – 1988, and his tenure marked a time the nature of the U.S. – Japan relationship evolved. It was during the 1970s that a security treaty the U.S. entered into with Japan expanded our military presence in the Island nation. Yokosuka became a major naval base on the Island of Honshu, the U.S. Marine Corps Base in Okinawa became home for another major military installation, and a number of bases, Misawa, Camp Zama, and Yokota were developed further. This security arrangement also allowed for cooperation in other spheres of our two countries’ dynamic relationship.

In order to help the Japanese revive its economy, we unofficially adopted a weakness in our diplomatic eyesight and opened our trading doors a bit wider to allow Japanese goods into our markets. Cars, electronics, and other goods began entering the American market place competing against American industries, flooding our markets, and challenging our domestically manufactured goods by under cutting their prices. For example, during this time it was cheaper to buy a Japanese car in Los Angeles than it was to purchase the same car in Japan.

It was the United States’ defense umbrella that permitted the Japanese to carry on their economic activities without an excessively heavy defense burden. Our security agreement, and the protection offered by U.S. forces allowed for a period of extraordinary industrial and economic growth in Japan. The decision on the part of the U.S. to adopt a policy of diplomatic blindness came at a cost to some of our industries.

Nevertheless, we thought it was in the mutual interest of Japan and the U.S., and we carried out this friendly policy.

The stability of our symbiotic relationship allowed for both nations to develop closer ties diplomatically and economically. However, in the past year there have been extraordinary changes in the political and industrial make up of our two nations, which presents new challenges to this long-standing friendship. Both nations have experienced elections of great significance and great change. In Japan, for the first time in many decades, a new political party is in control of the Lower House of the Diet. In the U.S., the large House and Senate majorities, and the new president in the White House are from the same party. The trust of the electorate in the U.S. and Japan respectively, reflected a desire for new directions and ideas. These changes were massive and significant in both countries.

Japan is now preparing for elections in its Upper House, the House of Councillors, and in the U.S., the Congress, State, and Counties are gearing up for important mid-term elections. In both countries, politicians made big promises during and immediately after the elections on the direction they believe is best in the 21st century. People in the U.S. are closely following to see if the big promises made for social, economic, and diplomatic change will come to fruition. The Japanese people are waiting to see if the new government's political promises will be maintained or ignored. In addition, they are watching the new Government endure the resignation of the Prime Minister and Cabinet less than one year after a historic election victory. This will be a very challenging time for the political foundations of both nations as they grapple with the disparity of election rhetoric versus governing realities. In Japan, this means the new party in power, the Democratic Party of Japan, is seeking to augment its base of power through control of the Upper House following a tumultuous start. In the U.S. Congress and elsewhere the majority party's goal is to maintain gains accomplished in the last election.

A second development also frames the current situation we face in U.S. – Japan relations, the global economic crisis. In the U.S., a few months ago, a dangerous high in unemployment was reached, the highest rate in 26 years, 10.2 percent. Furthermore, each day approximately 14,000 men, women, and children are losing their health coverage as employers reduce their payrolls. This statistical high, while staggering and dangerous, is merely a numeric representation which we assign a value to quantify something we measure. It cannot truly convey the real-world impact I witnessed when I visited Detroit a few months ago; a city that used to be the center of American industry.

Today, the population of Detroit is less than one-half of what it was five years ago, and the City of Detroit is experiencing an unemployment rate of 26 percent – one of the highest in the nation. During my short visit I was taken on a tour of the city. It was startling to see the numbers of empty business buildings and boarded up homes. In a sense it was frightening. I realize that this may be an extreme example, but this is the

extent of pain certain parts of the U.S. are experiencing. I have been told that places in Japan are experiencing similar statistics. History has shown us if we are not careful during periods of economic crisis political, industrial, and social leaders will make bombastic statements, issue veiled threats, and propose ill-conceived ideas that can have great moral, physical, and emotional repercussions.

From the first two events, the elections and economy, which have occurred in the U.S. and Japan and influence our bilateral relations, we arrive at the third. Statements were made over the last eight months that could have been misunderstood with troubling consequences. For example, the name of a place, Futenma, appeared on the front pages of Japanese newspapers. Here in the United States, people are just beginning to hear and inquire about this place called Futenma, located off in a far corner of the world on an island called Okinawa. As most are now aware, Futenma is one of many provisions in the Security Agreement with Japan, borne from the “2 + 2 Meetings” of the U.S. – Japan Security Consultative Committee. Much time and discussion have been spent, to date, months and months of discussion, on the matter of relocating Futenma Air Base. Since the decision to minimize the American military presence in Okinawa, we have begun to pursue and implement provisions in the agreement to prepare Guam for the relocation of a large number of U.S. Marines from Okinawa. Many changes were requested by the Okinawan prefectural government, and as these discussions continued to go on the cost of transferring the Marines to Guam has increased by more than 50 percent.

The front pages of Japanese newspapers had statements demanding further changes to the agreement on the realignment of U.S. forces prior to a Joint Statement by the U.S. and Japan on May 28, 2010. In some extreme cases, Japanese newspapers demanded the complete departure of the U.S. military. This issue that affects our relationship with Japan is cited as the reason Prime Minister Hatoyama stepped down from his position. Although the DPJ has elected a new Prime Minister, Naoto Kan, the former Minister of Finance, we are all waiting to see which direction he will move Japan. Fortunately, Prime Minister Kan has signaled that he is committed to a strong relationship between the U.S. and Japan. Simply put, I believe this is one of the most trying and challenging times experienced in the U.S. and Japan relationship during the past 65 years. The solution to the worldwide economic crisis is elusive, and I will not deceive anyone by proposing I, or any one man or woman may have the solution to this complex and multifaceted problem. Nor am I a member of the Executive branch charged with the major responsibility of maintaining our diplomatic relations with Japan. However, as one who has been involved with the legislative branch for over 50 years, I have had the opportunity of watching and experiencing the aftereffect of our diplomatic actions during this time. The consequences I have witnessed in some cases has come at the very high cost of precious lives and our nation’s treasure, and on other occasions have been rewarded with peaceful resolution and economic prosperity.

I hope and pray the political, industrial, and domestic leaders of our two nations will maintain their calm and exercise patience. This is not the time for bombastic, irresponsible, or threatening statements. It is the time for levelheaded and reasoned dialogue that avoids the type of fiery rhetoric that can irritate diplomatic relations and inflame domestic economic tempers. We must keep in mind that the supreme goal of our two nations is to strengthen our relationship, and in that process bring about stability and the absence of military violence in the Asia – Pacific region. It is not only in our interest, it is in the interest of the world community. The U.S. - Japan bilateral relationship remains the cornerstone of a foundation for harmony in the Asia – Pacific region. However, this relationship is not static; it is dynamic and continues to grow and change meeting the new challenges it faces. North Korea's aggressive moves against the Republic of Korea, and Chinese Naval vessels seen from the coasts of Japan have reminded us all that Northeast Asia can be very volatile, and peace in the region depends heavily on the stability and strength of the United States and Japan. We can do no less than to work toward maintaining the peace and stability in this essential and most important bilateral relationship, bar none.

My remarks this morning are primarily on two elements of a sovereign relationship – military or security relationship and trade or industrial relationship. However, there is another element in all productive and friendly, sovereign relationships, and that is people-to-people relationships. The senior officers and board members of an organization with that mission is with us today – the U.S. – Japan Council. The mission of the U.S. - Japan Council is to foster productive and friendly relationships with community, social, and educational leaders with their counterparts in Japan. I am happy they are with us this morning – it says much about our relationship with Japan.