MIN. KOIKE: Good afternoon. It's a great pleasure as well as a great honor for me to be here again and to speak in front of such an esteemed audience. The CSIS is one of the most prestigious and well-known think tanks in the world. Last time I was here as the special adviser to the prime minister for National Security Affairs, and today I am here as minister of Defense, a post which I assumed last month.

Some people call me the Japanese rice, after Madame Secretary Rice, and this may be because both of us work for national security and both of us wear skirts. (Laughter.) I highly respect Madame Secretary Rice, who has been energetically and tirelessly working on a wide range of issues around the world, and I would very much like to follow in her path, a path to the best of my ability. But literally speaking, Japanese rice means "sushi." (Laughter.) So why don't you call me "Madame Sushi." (Laughter.) Anyway, I will be very pleased if I could learn from her extensive experiences.

Now let us turn to something that is no joking matter. The earthquake that occurred in Japan last month -- I would like to take advantage of this opportunity to express my deep appreciation to the people of the United States. On the 16th of July, a major earthquake of magnitude 6.9 on the Richter scale hit Niigata (tourist ?) area, which is to the northwest of Tokyo, facing the Sea of Japan. There was serious damage and many casualties. Eleven people died, approximately 2,000 more were injured, and 1,000 houses were destroyed.

Right after the earthquake, I visited the area and viewed the destruction with my own eyes, directing our SDF units engaged in disaster and in disaster relief operations. The situation was quite serious, with basic infrastructure, including electricity and water, temporarily shut down, which brought inconvenience and created anxiety amongst victims of the earthquake.

In light of this situation, the United States was kind enough to offer about a hundred air conditioning units to be fitted to the services that accommodate those victims.

Ambassador Schieffer and General Wright personally notified of those donations?.

Such a timely and generous offer by the United States was indeed a source of great encouragement to the people in the disaster area. People in Japan have found it quite reassuring and heartening to know the U.S. stands by
us, which has created even greater confidence in our friendship with you. It has strengthened the already solid basis of our alliance.

Again, I would like to extend my heartfelt thanks to the people of the United States of America.

I would also like to add that the Iraqi ambassador to Japan paid a visit to the area and encouraged the SDF units engaged in relief operations, which had also operated in Samawa, Muthanna province of Iraq. I think that those of Iraqi people and those Japanese who suffered due to this earthquake share the same wish to live in peace and comfort free from want.

Let me discuss how I would like to address security challenges in the region as the minister of Defense. First of all, like Prime Minister Abe, I am one of the strong believers in the Japan-U.S. alliance. This alliance constitutes the core of the security of Japan. Maintaining and enduring bonds between Japan and United States is indispensable for our prosperity now and in the future. It is perhaps unnecessary to say in front of this audience that we have been confronting with diversified and complex security challenges in recent years.

Newly emerging threat, including proliferation of ballistic missiles, have become a major concern, and when you focus on the neighborhood of Japan, the regional security situation is characterized by serious challenges; most prominent among them: North Korea's launch of ballistic missiles and professed nuclear testing last year. Against the backdrop of such developments, it is of vital importance to further strengthen the effectiveness as well as to enhance the credibility of our alliance in order to effectively respond to those security challenges.

Technically speaking, this alliance is embodied in the treaty of nuclear cooperation and security. But we have to go beyond words on paper to realize the spirit of the alliance, so that close ties can be maintained between publics on both sides of the Pacific Ocean while they make earnest efforts to contribute to mutual security, realizing the inseparable nature of the security of both countries.

Close governmental communications have also to be maintained, including those at the ministerial level. That is why I was determined to come all the way to Washington, DC, in spite of the tense political situation in Tokyo. In order to fulfill my responsibility as minister of defense, I would like to tackle a variety of challenges, including the implementation of the agreement on the realignment of U.S. forces, as an important way to further strengthen the alliance, bearing in mind what I have just explained to you.

I would like to turn to the challenges I face as defense minister of Japan. There are five major ones I have identified since taking up my post.

First, the change in the legal status of defense agency to defense ministry, in January of this year, clearly indicates the necessity for the ministry of defense to become further policy-oriented and to develop a more sophisticated strategic vision for the future, in order to faithfully meet the expectations of the people in Japan and to effectively fulfill the responsibilities that Japan has taken on as a member of the international community. To accomplish this, I have been making efforts to restructure the internal organization and to strengthen the policy planning functions while
expanding the military -- ministry's relationship with the general public to broaden support for defense policies.

Second, I have been making an effort to strengthen this alliance, focusing on the expedited implementation of the agreement on the initiative for the realignment of U.S. forces in Japan. In particular, this bilateral agreement is essential to maintaining deterrence and capabilities of U.S. forces to respond effectively to evolving security situations as well as to reducing the negative impact and footprint of U.S. forces on local communities, including Okinawa Prefecture. This underscores the necessity of implementing the agreement as quickly as possible.

I personally have some background regarding Okinawa issue, since I once held the longest ministerial post in charge of Okinawa, for two full years, or, I should say, only two years. (Chuckles.) And the post of minister of the Environment, as well. And I would like to make utmost efforts to complete the agreed realignment initiative, including relocation of the Marine Corps Air Station Futenma, relocation of U.S. Marines from Okinawa to Guam, while seeking understanding on the part of the local communities.

On the basis of strengthening the bilateral relationship, I would like to expand the network of security relations among like-minded countries in the Asia-Pacific region, including such countries as Australia and India, which share common values and interests with us as democracies and human rights.

Third, I would like to make sure that the Self-Defense Forces can respond effectively to a variety of challenges and contingencies. For example, we have (now ensured steady ?) -- a steady development of ballistic missile defense capabilities and also to establish a culture appropriately attuned to dealing with terrorist incidents, major natural disaster and so on. In 1995, a major earthquake hit the Hanshin area in the western part of the main island of Japan, with approximately 6,400 dead or missing. My former electoral district was also affected. About 150 citizens died.

Right after the earthquake, I ran about the disaster area by bike, and I witnessed an outpouring of support from the locals for the SDF disaster relief efforts.

That experience reminds me of the necessity of ensuring that the SDF develop such a posture with which it can meet the expectations and maintain the confidence of the Japanese people.

Of course, as a responsible member of the international community, Japan must make proactive efforts in the area of international peace cooperation activities.

I have visited such locations as Iraq, the Golan Heights, Kuwait and East Timor and saw firsthand the enormous efforts made by the SDF contingent. I know that those efforts were very much appreciated by relevant countries.

Greater importance has been attached to international cooperation activities as one of the missions of the SDF, and we at MOD are looking to improve our policies in this area for the future.

Last but not least, I would like to emphasize our commitment to strengthening policies and procedures regarding information security, and to enhancing our counterintelligence capabilities.
I regret to say that we have recently experienced some incidents which evolved -- involved lax handling of sensitive information. Although strict procedures should have been followed, these are truly very unfortunate incidents, and I think it is urgently necessary for us to review our information security practices. This is all the more important because we are responsible for the defense of Japan. I have already directed my staff to develop more stringent measures in this area.

When I assumed my current post, I addressed men and women of the Ministry of Defense to improve their moral and boost their morale. What I tried to convey to them was that those in charge of national security have to improve the morals of their organization -- for example, by tightening information security -- while boosting their morale.

Let me now turn to my personal interest and involvement in security issues. When I decided to study abroad, I selected the University of Cairo in Egypt, as Mr. Michael Green introduced me, to -- and became the second Japanese graduate from that school. I have been interested in Middle East situation, especially in a global context and, as you might expect, from the perspective of its relationship to the national security of Japan. I also have paid close attention to the Central Asia countries, which have geopolitical importance for Japan, and was one of the founders of the Central Asia and Caucasus Research Institute in 1999 -- the first institution of its kind in Japan.

One of the areas I have long focused on is energy security. This background, together with my experiences as minister of the environment, led me to think about national security issues in a comprehensive manner, not concentrating solely on military aspects. I try to take into account the dynamics -- dynamic co-relations among a wide range of factors, including geopolitical issues, environmental factors and improved security. For Japan, lack of crude oil resources is an inconvenient truth. But on the other hand, it is a convenient truth for promoting innovations in the field of energy saving technology.

Before assuming my current position, I was appointed as special adviser to Prime Minister Abe for national security affairs, based on my own experience and understanding of developments related to Japan's national security. I provided recommendations and advice to the prime minister. I also devoted myself to establishing a Japanese equivalent to your National Security Council, NSC.

Draft legislation to set up such an organization has already been approved by the cabinet. I discussed this issue when I was here last time. While I was involved in drafting the bill, I got a lot of useful advice from my -- from many American friends, including Dr. Green, who is chairing today's session. I'd like to thank my American friends for their support, and we will try to pass the JNSC -- J for Japan, not for Jordan -- JNSC bill through the Diet in the fall session this year. We are looking forward to a new mechanism for national security with JNSC up and running from next April, insha'Allah. (Laughs, laughter.)

As Defense minister, I focus on details, Defense-related issues, which are directly linked with the lives and safety of the people. The Ministry of Defense and the SDF play critical roles at the core of the national security of Japan, which has brought home to me the serious responsibilities that go with this position.
The Ministry of the Environment, which I headed for three years, has only about 1,100 personnel. When I was special adviser to the prime minister for National Security, I was supported by two brilliant staff people; now, I have 260,000 men and women under my direct command.

Irrespective of the size of the organization, the ability to set goals and to identify the tasks to achieve them will be required. In other words, management capability. I believe my past experience and my own expertise in the field of national security should provide substantial leverage when I tackle those challenges and achieve what is expected of me. I have identified these hard challenges based upon my own past experience, and I intend to make an utmost effort so that you will find the achievement satisfactory from your point of view.

In closing, I would like to touch upon what I believe is of critical importance to the development and implementation of policies at the national level. The good cause behind those policies is obviously quite important, but those policies are also -- those policies almost -- also must be understood and sympathized by the people. I think this is also true of our bilateral relationship. The United States and Japan as vital allies must, first of all, share a good cause, emphasizing the importance of ensuring that each of us can support this relationship. This will only come about through improvement, understanding of one another.

The most important tenet of Prime Minister Abe's administration is the departure from old policies and practices from the post-World War II regime. From such a perspective, this administration has been addressing specific policies, including the reform of the Japanese educational system, review of the legal issues surrounding the exercise of the right of collective self-defense, and the reform of the career system of the civil servants. These measures are not necessarily popular among the populace, but all of them are important milestones for Japan in the 21st century as well as for the region and even for the world and must be dealt with.

In the field of security, we are confronted with considerable challenges in the future, but our paths are not necessarily overshadowed with daunting clouds. I would like to work closely with American friends, contributing to the best of my ability to realizing an era filled with blessings for all throughout the 21st century so that this century can be viewed as one filled with a lot of sunshine.

Thank you very much. (Applause.)

MODERATOR: Minister Koike, thank you. That was a strategic vision. It was a lot of work for the Defense Ministry. I see Ofura- San (sp) and your staff; they're going to be very busy. (Chuckles.)

We'll take questions now. If you could raise your hand, we have microphones. And please keep the questions brief. We'll be using an interpreter.

Yoichi Kato, Asahi Shimbun. We'll start with a hard one first.

Q Minister Koike, thank you very much for a comprehensive speech. But I was a bit surprised that you didn't mention China even once. And I was
wondering how you see China as a security challenge for Japan and how to meet that challenge. Thank you very much.

Q (Off mike.)

MODERATOR: Several questions. Please. That's a good idea. We'll collect two or three questions.

Chris, yes, sir.


MODERATOR: Microphone.


The upcoming North-South Korea summit -- are you satisfied with the level of consultation so far between the Korean government and yours, especially as it regards the strategic interest that you mentioned in your talk, you know, the missiles and the nuclear test?

And in particular, on the six-party process, I think there is rising concern here that the humanitarian and domestic political issue of the abductees has become an impediment to your government, full participation in the talks at this time, and that perhaps the strategic concerns are being lost in the wake of the understandable humanitarian and domestic concerns. And I'd certainly like to know how you see that issue and what you think can be done to get over the -- over this obstacle. Thank you.

MODERATOR: Sir, on the right side, with the --

Q Al Millikan, Washington Independent Writers. Since the United States president labeled and identified the "axis of evil," namely, Iraq, Iran and North Korea, how has Japan responded, changed or altered its relationship and security concerns with these particular nations?

MIN. KOIKE: (Through interpreter.) Why did I not mention China in my speech? That was not on purpose. I believe that China is -- China has been expanding militarily at a rapid pace, and this is something that we have to pay attention to. We hope that there will be greater transparency in what the Chinese are doing. The Chinese Defense minister will be coming to Japan, and I believe that we can address these questions in the context of that visit.

The second question, regarding North-South Korea talks, I think that the dialogue -- in the course of the dialogue, various arguments will be presented, and I'm not sure how far these discussions will actually lead to the solving of the nuclear issue.

As for the six-party, this is being -- the overall context is the six-party talks.

And the question is how -- to what degree there will be a fruitful dialogue that will lead to a solution. There will be working commissions in the
six-party context that will need to address various subsidiary issues -- various issues, including the abductee issue.

The third regarding the so-called "axis of evil," how to address this question. There are -- among the countries you mentioned, there are a number of countries which are engaged or suspected of engaging in nuclear proliferation and developing weapons of mass destruction, and relations with these countries has to be looked in the context of the question. There has to be continuous dialogue and the aim being to return these countries to the arena of international dialogue.

We will play our part in that.

MODERATOR: Why don't we take a few more? Did I see your hand, General Gregson?

Q You did. Chip Gregson, retired Marine and former resident of Okinawa.

Thank you for your support for the Alliance: Transformation and Realignment agreement. You also mentioned a desire to reform the education system. I wonder if you have some suggestions on how we may take advantage of the American presence in Japan to cooperate with the local communities to aid that education system transformation, particularly in Okinawa.

(Cross talk.)

Q Thank you very much. (Name and affiliation inaudible.) Nice to see you again, Minister Koike.

My question is, in the coming September, I guess, the government will submit the proposal to extend the anti-terrorism activities law in the Indian Ocean. (Inaudible) -- according to the Japanese newspapers, Mr. Ozawa of the Democratic Party of Japan, is strongly opposed to extension of this bill. And according to the newspapers, he even refused to talk about, discuss the amendment of the deal with the governmental parties. So I'd like to ask you about the prospect of this important bill's future.

Thank you very much.

MODERATOR: One more, yes, sir, on this side.

Q Thank you. (Name inaudible.) I'm with Asia Policy Point.

My question is in regards to the requirement of F-22 fighters. Yomiuri Shimbun, a few weeks ago, said that in the fiscal 2008 budget, there was a proposal for Japan to develop a domestic advanced stealth fighter. My question is, in what way is this a response to the United States reluctance to sell the F-22 abroad? And in what way is this an older proposal that is now coming to fruition?

Thank you. MIN. KOIKE: (Through interpreter.) Taking up General Gregson's question first, I think that cooperation between the U.S. forces in Okinawa and the Okinawans and more generally between U.S. forces and Japanese is a very important point. And I am very pleased that we have found effective means of cooperating with each other in this context. For instance, Marines are helping the people in the local communities learn English and having other
cultural ties, as well. And I hope that this will continue. I hope and expect that this will continue.

Third, with regard to Mr. Ozawa's refusal to -- or expression of opposition to the renewal of the anti-terrorism law, this law is going to expire at the end of October, and unless it is renewed, the MSDF ships which are now resupplying the international forces battling terrorism in Afghanistan -- resupplying them in the Indian Ocean will have to withdraw.

Mr. Ozawa has expressed his opposition to this -- to the renewal of this act, and he has said that he's always been opposed to this. It's not entirely clear exactly what he means. But the opposition won the recent upper house election, and therefore, even if the lower house passes the -- renews the bill, if the upper house rejects it, the ships will have to withdraw.

I'm not -- it seems to me that Mr. Ozawa is not the kind of person who doesn't understand that if we stop fighting terror, who is the one who will be -- who will benefit, who will be pleased? And so I am hoping that the DPJ will request changes, and then we will have discussions over exactly to what we can accommodate these demands. After all, during the Gulf War, Mr. Ozawa worked very hard -- I'm sorry -- during the Gulf War of 1990 to 1991, Mr. Ozawa worked very hard to try to work out how Japan could contribute using its Self-Defense Forces, and after -- as a result of great efforts, he finally was able to get some minesweepers sent after the end of hostilities. And therefore, to say no to any kind of military-related action this time seems to me very inconsistent.

International cooperation is the task of Japan, as it is of all other countries, and using the Self-Defense Force to help in this endeavor is an important part of international cooperation. It seems to me that Mr. Ozawa's calendar has remained stuck in the Gulf War of 1990 to '91, and that his discussions really have not moved forward regarding PKO and so forth from that time.

After all, now the Defense Agency has become the Defense Ministry, and all sorts of other changes have taken place, but he seems to be stuck in the past. At least that's the way it looks to me.

The third point, with -- regarding the next generation of fighters, the F-22, the -- this is something that has to be considered from the viewpoint of Japan's own security, from the viewpoint of the security of East Asia as a whole, how to -- so it is a subject with broad ramifications.

And in this context, I do admit that there has been a question regarding the adequacy of preserving or guarding the security of information, or information on security. No country, after all, is entirely clean with regard to this question, but certainly our Defense Ministry needs to improve its information security policy and system. And we are indeed rebuilding it.

This is one of the five points I made in my speech. What's important, after all, is not quantity, but the quality of the forces that we have. And it's also important in terms of our relationship with the United States.

MODERATOR: Minister Koike, thank you. It's time now to wrap up. Thank you for very forthright answers to some very good questions.

Copies of the minister's prepared remarks will be available outside. Minister Koike has honored us by speaking a second time at CSIS. I would note
that every time the minister gives a speech here, she gets promoted. (Laughter.) So we look forward to your career and our gatherings continuing to move forward together.

Please join me in thanking Minister Koike. (Applause.)

END.