

**CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)**

**SCHIEFFER SERIES:
UNDERSTANDING JAPAN'S ELECTIONS:
WHAT THE ELECTIONS MEAN FOR ASIA AND THE UNITED STATES**

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JOHN HAMRE: Hello, everybody. My name is John Hamre. I'm sorry to interrupt your conversations – (laughter) – but we want to get going! And we're glad to have all of you here today.

You know, I'd like to think that it was just brilliance that was able to time the election and this event, but dumb luck sometimes wins out over brilliance, and we're really glad to have a chance to have everybody today to come together to talk about this election in Japan. This was probably one of the most monumental political developments in the last 20, 30 years in Asia, and what does it mean? That's what we're going to explore tonight, and we've got some fabulous people to help us do that.

This is the third of our series that we do jointly with TCU's Schieffer School of Journalism. We're really proud to have that opportunity, Bob, thank you so very much. You know, I, like you, probably, get a little tired with shouting, angry journalism in America. And what I always admire about Bob Schieffer is it's tough as nails but it's civil and it's fair and it's honest. And it's that kind of spirit that he brings to his journalism, but also brings to us in this forum. We're really grateful to have all of that.

I would just like to say a special word of thanks to our friends at TCU – Gregg Ward's here. This is a company that has a deep commitment to improving the quality of public policy in America. They've given us a chance to partner with them on this. You all know them but you rode down on one of their elevators when we came down here, and it's just part of the products that they make possible for us. But also, the support they're making for this program. Gregg, thank you for all that; we're really grateful for that.

Bob, we'll turn it to you. We'd love to get this thing started. Let me just say one last thing – I want to welcome back my very dear friend, Kurt Campbell. Kurt's now over at the State Department. I was lucky enough to be his colleague here for almost 7 years, and then of course he went over to create the Center for a New American Security; he's just done a fabulous job, and of course, he's now in government, and we're grateful for that. Thanks for coming back. Bob, we'll turn it to you.

BOB SCHIEFFER: Thank you very much, Dr. Hamre, and welcome once again. As they like to say in baseball, this partnership between CSIS and TCU, those of us at TCU hope it is good for both teams because it's certainly good for our team, and we really enjoy the opportunity to be here and to join with CSIS. And we have the people who know most about Japan right with us today. I'd also like to acknowledge the Japanese ambassador. Ambassador, welcome, and we'll be calling on you when we go to questions here.

But here on the stage with us today, Kurt Campbell, of course, who is the assistant secretary now for East Asian and Pacific Affairs. He's been in that job since June of this year. He was previously CEO and co-founder of the Center for a New American Security; has had

several positions here at CSIS – as Dr. Hamre said – over the years, including senior vice president, director of the international security program, the Henry A. Kissinger chair in national security policy; was also an associate professor of public policy and international relations at the Kennedy School at Harvard.

Michael Green is senior advisor and holds the Japan chair here at CSIS; also an associate professor at Georgetown; served as special assistant to the president for national security affairs; senior director for Asian affairs at the National Security Council from January 2004 to December of 2005; joined the NSC in April of 2001 as director of Asian affairs; worked at the Council on Foreign Relations and the Institute for Defense Analysis; speaks fluent Japanese and spent over 5 years in Japan working as a staff member of the National Diet as a journalist for Japanese and American newspapers and as a consultant for U.S. business.

Steve Clemons, senior fellow and director of the American Strategy program at the New America Foundation; he also serves as publisher of a very popular blog, “The Washington Note.” He has been an executive vice president of the Economic Strategy Institute; senior policy advisor to Sen. Jeff Bingaman, which is when I first met him – when Sen. Bingaman was making his first race for the Congress – and I got to know Steve down through the years when he was on Capitol Hill. He, for 7 years, was the executive director of the Japan America Society for Southern California; also co-founded with Chalmers Johnson the Japan Policy Institute.

So gentlemen, let’s get to it. Mr. Secretary, let me just start with you. What does this mean, why did it happen and what does it mean for U.S.-Japanese relations?

KURT CAMPBELL: Well, first of all, it’s terrific to be here – thank you, Bob, and to my colleagues on the podium here and to CSIS and to John Hamre, in particular. These are wonderful forums and we’re really grateful for the opportunity to explore something as significant as this historic Japanese election.

It’s important, just basically, to take a few minutes to appreciate something that the United States and Japan share, which is this tremendous commitment to democracy. So what we’ve seen is an enormously important election that took place peacefully in which a very new generation of leaders has come to power in Japan. And so at a very basic level, we recognize that, we celebrate it and we appreciate it.

And I’d like to just say earlier today, President Obama reached Mr. Hatoyama-san. They had a very good conversation. He thanks Hatoyama-san for some statements of late; importance of the U.S.-Japan relationship. He congratulated him on his victory and he told the Japanese leadership of the new party, DPJ, that the United States stands ready to work with Japan over the course of the next several weeks and months to ensure that our relationship is important going forward.

This is a very early time. You have to take great care during initial steps. We’re trying to send a very consistent message of our determination to work closely and to consult with Japanese friends. We have a schedule for fairly deep engagement over the course of the next several months to ensure the highest possible level of consultation. And I’m confident that in

terms of the basics – the fundamental issues that unite the United States and Japan; that those will remain in place. Will there be some challenges along the way? Undoubtedly, there will be.

But the truth is that we've faced challenges over decades, we've surmounted them, we have worked closely together, and I think we have a lot of confidence that we'll be able to do that over the course of the next several months.

The watch word from our perspective right now, Bob, is patience, commitment and solidarity. So we feel very – we're excited about the election; we're excited about the path and the way forward; we take nothing for granted in terms of expectations associated with issues beyond our alliance, but we do think that the foundation is there for a very strong relationship going forward.

MR. SCHIEFFER: Michael Green, you and many other analysts really nailed it. Everyone saw this coming. But it is still almost a shock that one party has held power since what, 1955, and then they lose; it's just a total turnover. I mean, they not only lose but they lose big. What, 300 out of 485 seats or something like that? Why did it happen?

MICHAEL GREEN: Well, the Japanese voters in exit polls said why. It wasn't because of Mr. Hatoyama – only 3 percent said they made their vote because of him; it wasn't because of the DPJ's policies. It was because they were sick and tired of the Liberal Democratic Party's style of politics and governance, and the inability of the government to provide. The Japanese economy's grown at about 1.9 percent a year for a decade; and there's a sense that this just can't go on and things have to change.

So this was a massive, massive victory for the opposition. Japanese elections lately have been massive. I mean, Koizumi, for the LDP, won a massive victory just a few years ago. So there's a lot of swing in the Japanese voters. And they were ready to throw the bums out and give the new crew a try, and that's mainly what this was about. It's not so clear that the Japanese public knows what the new government will do or has complete confidence in what they'll do, but they're ready to throw the dice and take a chance.

MR. SCHIEFFER: So in other words, this was not so much a vote for the new party as it was a vote against the old party.

MR. GREEN: That's right, that's right. That's pretty clear. It shows up in the polling. There are some things that the democratic party promised – they're going to cut taxes and fees; they're going to stimulate the economy; they're going to empower civil society more; they're going to beat up the bureaucracy and decentralize government – those things were fairly popular.

In terms of the real fundamental challenges in Japan – how to restore long-term economic growth; what to do in foreign policy – there wasn't a clear affirmative vote for anything. It was just time to get rid of the old crew. And I'd talked to friends in rural Japan, where I used to live, who'd voted for the LDP their whole life, and they were giddy that they took this step and threw everyone out, but they weren't sure what came next.

MR. SCHIEFFER: Steve, when something like this happens, America always becomes an issue, it seems like. It wasn't that you heard anti-American statements from the new party as they were coming to this election, but you heard them talk about, "We need more independence from America; we need to separate." Is this going to make a difference in the Japan-American alliance? How much is this going to change?

STEVEN CLEMONS: Well, I was writing a piece today that Yukio Hatoyama is going to find his inner Obama. And what I meant by that is that a lot of things said on the campaign trail are going to be softened, delayed; priorities are going to be set. The great Ariel Sharon line – once, you're sitting behind the prime minister's desk in Israel – he was responding and saying, things look differently behind this desk. And things will look differently behind Yukio Hatoyama's desk in what he puts forward.

I think that this is an exciting election in part because, to be blunt, many people feel that the LDP lost its ability to be flexible in a lot of key areas. In the past, the LDP was able to reinvent itself or throw in different leadership – that sort of ended. But you also had the impression, rightly or wrongly, that many Japanese felt that the U.S.-Japan relationship on a whole variety of fronts was just stuck too much in the past.

And I've been one to suggest as well that there was a kind of brewing nationalism that I would consider sort of nasty, rightwing, nationalism. I am very happy that now we're going to see a sort of negotiated nationalism. And part of that will involve the relationship with the United States and where they take it.

Recently, Yukio Hatoyama published in Huffington Post of all places, and in other places, a piece that was complaining about the negative consequences on Japan of American-led manic neoliberalism, if you will. And I made the comment today that a lot of Americans actually feel what Hatoyama was saying, as well, and we've already had the shift here in this country to some degree on these issues.

But I think the real strongman behind this, Ichiro Ozawa, wrote his book on a blueprint for a new nation, a normal nation. In it, he didn't destroy or dismantle the U.S.-Japan relationship. He talked about the importance of becoming a greater stakeholder in that relationship, of sorting out Japan's interests more on their own and changing the image, to the degree it still exists, of Japan just being a puppet or a satellite of American interests exclusively, and having a greater role in play.

And I think this is part of the Japanese narrative which has been growing, and we should look at this as a healthy thing. And I predict a much healthier, lively and somewhat reinvented U.S.-Japan relationship – in part because of Hatoyama talking about the need to create some distance. I actually think it's a good thing, as opposed to what some people see in a zero sum sense – that this is going to cost us influence. I don't believe that at all.

MR. CAMPBELL: I like both of what Steve and Mike have said. I actually think that for the alliance to maintain its relevance and its influence over the course of the first part of this century, a degree of independence, of confidence, is absolutely essential on the part of Japan. So

I actually think that these are not – as just been reaffirmed – these are not in contrast with one another; they're actually essential. It's important that Japan feel confident and independent. And in fact, the United States supports that. We don't see any contradiction in terms of a close alliance and a greater independence in terms of doing business. I think we will find that even in an independent mindset, we will find ourselves taking very similar positions.

I also think that one of the things that we've heard from DPJ, for instance, is a desire to have a closer and deeper relationship in Asia with both South Korea and China. And that has sometimes been posited as something that the United States is either against or threatened by. Nothing could be further from the case. We would like to see Japan play a stronger leadership role as partners with friends and Asia, and we will support that. We also believe, in that process, they will come to appreciate and understand the significance of the U.S.-Japan alliance.

So in terms of the basics, we are very comfortable. I would also suggest to you – we see this in the United States; I wrote a book on transitions with my friend, now deputy secretary, Jim Steinberg – transitions in democracies are difficult. This is going to be different than transitions that we've seen in the past in the LDP, where two days, new government, everything's back in place. This is going to take a period of time; we're going to have to be patient; it's probably going to play out not just over a couple of weeks but months; new means and mechanisms of making decisions will be put in place.

If I had one caution, I would say, my own personal experience and some of the finest professionals that I've worked with in Japan are bureaucrats, and I would hate to see a period whereby somehow they are posited as the enemy, and somehow to be gone after. I think over time many of our new friends that have just arrived in power will come to appreciate how strong these men and women are; how much they've served Japan's interests over the course of the last several decades. Of course there can be changes, but overall there's been a lot of very good work done and we hope to continue our professional relationships with these people.

MR. SCHIEFFER: From the United States' standpoint, what are the most critical, the most important, parts of this alliance? What means most to us on this side?

MR. GREEN: I'll answer that. Let me just briefly, if I could, take you back on what Kurt and Steve said. There is this rhetoric and this narrative that has come out of the democratic party about distance from the U.S., closer to Asia. And it's important for perspective to understand where the Japanese people are. And I won't go through a lot of numbers, but very recent polls, when the Japanese public was asked, do you feel close to the United States, 74 percent said yes. When they were asked, do you feel close to China, comparable numbers said no.

And across the board, the public opinion in Japan – in some ways, has never been better about the common interests and values of the U.S. So a lot of this rhetoric about distancing from the U.S., moving to Asia, I think, comes out of a narrative that the democratic party in Japan used to try to attack the LDP – because the government cooperated very closely with us because it was in Japanese national interests. And we're seeing that rhetoric still. I think it's going to start dying out as these guys come into office and start looking at, what do they do about North

Korea, what do they do about the rise of China. There are very few issues, actually, where we really disagree with Japan.

Now, what's most important to us at a strategic level – you know, from the middle of the Second World War, long term strategic planners knew that the U.S. had to have a strong relationship with Japan for all of Asia to be stable. And our foreign policy on a bipartisan basis has been based on that for 60 years. We especially need it now with the rise of China – not that either Japan or the United States wants to contain China, but to provide a stable environment where we can both engage China from a position of confidence.

Japan is the second-largest contributor, still, to the United Nations, to most of the international institutions. So for international organizations to work, we've got to be with Japan, and we are. We're very close to Japan in the G-7 and G-20 discussions; we need Japan on the North Korea nuclear problem; and for our forward presence across a hemisphere, our bases in Japan are absolutely critical.

The DPJ has made some noises about changing the status of our forces, blocking Okinawa. I don't think they're going to want to go there because I think the Japanese public, also, and the rest of the region recognizes how important these bases are. But those are the things I would say – and that's a pretty long list of very critical interests.

MR. SCHIEFFER: Do you see any of those changes coming or any of those things changing in any marked way?

MR. CLEMONS: Not the major things, but I think that they'll be down the road – not on the front end of the Hatoyama administration – but some changes on the edges. You know, some things that'll make Kurt Campbell crazy about wanting to renegotiate – (laughter) – the rights of military servicemen on bases, and discussions about sovereignty and decision making. I think there'll be some of that. I think Kurt will be a genius at getting the Japanese to move beyond the abductee issue as the be-all when they think about regional security, and begin to look more there.

And I think that you're going to see – and what I hope happens – and to reify something Mike just laid out – Japan has some of the best international bureaucrats in the system, and one of the things that I feel has been working against that. You had Koichi Matsuura clean up UNESCO to the point where Jesse Helms actually supported going back; you had, in the high commission for refugees in peacekeeping; in IAEA; in the Bretton Woods institutions.

And Japan used to combine a kind of commitment for security through a notion of interdependence in this system in ways that took the pressure off the United States from being that player. And I think there's been some muting of that. I would love to see a return to it because I actually think it helped us; it helped the relationship. And it reminded people of the vitality and importance of Japan.

I think Japan, if I can be blunt, is – despite the interest in this room and C-SPAN and all of the others – is the taken-for-granted ally. I think Japan, during the Second Gulf War, during

the Iraq war, decided to stop challenging the United States on key trade issues, economic issues and become our pal in a lot of things and to subordinate a lot of its tensions.

What's interesting – if you don't have points of tension with another country, particularly the United States, you're not taken seriously. And I think somewhat the U.S.-Japan relationship has a lot less visibility than it should have, given its weight, because we didn't have – that's why I'm very excited about this sort of “democracy 2.0 moment,” as I see it, in Japan.

And I think we're going to see Japan rise in relevance and significance and consequence in the eyes of Congress, which I think has been under-tending this relationship and under-aware of it because they are with us. So I – when you look at this combined portfolio and asking, you know, going along with what Mike said, I think you're going to see renewed interest and you're going to see, hopefully, Japan come back to some of these international institutions in which it is very useful for us and I think it will return them back to prominence internationally.

MR. SCHIEFFER: Are we on the same page with Japan on Korea, on the Koreas?

MR. CAMPBELL: On North Korea?

MR. SCHIEFFER: Yes, well, and South Korea, both.

MR. CAMPBELL: Both, in both respects, yes. I think even before the outreach from President Obama, there have already been conversations between Hatoyama-san and his Korean counterpart, the president. And they have underscored their desire to work more closely together. And I think one of the things that we've seen over several years is a tendency in certain circumstances, for a variety of reasons, to suddenly see South Korea and Japan – Japanese-South Korean relations take a nosedive.

And ultimately that's not in our interest either. We want to see our two closest allies working more closely together – if I may say focusing more on the future than on the past. And I think we see very real prospects of that going forward. So that's our basic issue. And I think we're going to see very good work in this area going forward.

On North Korea, it's still early. I think at a very general level the United States and Japan share basic beliefs: We will not accept a nuclear North Korea; we are committed to a diplomatic process whereby we, through the six-party framework, we try, in some future period, to sit down with North Korea if they accept the commitments that they have taken in 2005. And so I think you will see that the United States and Japan will work closely together on North Korea. So I hate to say this, Bob: We are pretty much in violent agreement here about areas where I think we can work together.

I think one of just the real challenges is I don't think we fully appreciate how difficult it is, how wholesale a change this is likely to be in terms of a whole new group of people. Remember, this is not just a new group of people coming into the executive branch; this is a new group of people, many of whom have never been in power, who are not only going to be in the legislative branch but will also be serving in some capacities in the executive branch.

There is a tremendous discipline and rigor associated with power and it can be brutal. It can be very challenging. And we see that playing out not only in the United States in transition; we see it playing out in other places. This is a whole new generation of people who are experiencing this together for the first time.

And so I think one of the things that we have to be careful about is not to have unrealistic expectations in the short term about clear, coherent policy statements. It may take time for them to be able to fully enunciate. And I think we have to be patient and also understand that there are going to be some stray flares and some comments made that perhaps make people anxious and recognize that we have to be much more focused on the ballast in the boat, which are these larger issues that really unite United States and Japan.

MR. SCHIEFFER: Go ahead.

MR. CLEMONS: I just wanted to add one point to affirm something Kurt said that hasn't been getting a lot of press. But this party with 300-plus members is going to have to hire staff people, train staff people, educate them about legislative process.

When you get beyond the sort of sexy topics that you're fighting over, 99 percent of the legislative work that that party is going to be responsible for doing doesn't get all of the headlines. There is a whole infrastructure within the LDP that has been there in place for decades that essentially, much of the sort of internal organs of policy and legislative work don't exist in any mature way within the DPJ, not to the same level.

And so there are sort of the back-shop questions which I think are even more disconcerting and can handicap the government. And actually I think, while you'll have a few public hangings of bureaucrats, ultimately those bureaucrats end up becoming a vital part of it. So I just wanted throw that out there, that they're going to have a lot of handicaps.

MR. GREEN: There is also – the DPJ has had the luxury of not having to come to a conclusion on key economic and foreign policy issues because they rode this wave of resentment against the guys currently in power. And there are a variety of views on all of the issues we've been talking about. There is not a clear consensus within the party on whether they should continue refueling operations in the Indian Ocean to help the – (inaudible) – from Afghanistan, what to do about the Okinawa agreement.

I suspect what will happen is that the politicians who learn how to work with the bureaucracy are going to be the ones who have the information, the insights, the power to actually govern and survive. So the DPJ has said they're going to have politicians run everything. The smart politicians are the ones who will marry themselves to the right bureaucracy and get things done.

I also think Kurt has articulated exactly the right strategy for the Obama administration. Don't put pressure; be patient; help work through a strategy together. Focus on a relationship between Hatoyama and President Obama. There are issues they are going to have to make

decisions on, though. They're going to have to decide what to do about the Indian Ocean; they're going to have to make decisions on North Korea policy.

What worries me a little bit is that this is not at all – what Kurt said, I think is right – what worries me is having not resolved some of these internal contradictions, this new government may not be able to come up with a position – and as a default position will sort of punt and pass on key decisions.

And the last thing I'd say is I think Steve is right. There are people like Ambassador Matsuda and others who are in international organizations. We should be actively supporting more Japanese leadership and personnel in the U.N. and elsewhere. What I would disagree, I think, if I understood you, Steve was –

MR. CLEMONS: Good, we need disagreement.

MR. GREEN: – the idea that Japan being difficult and becoming interesting is good for U.S.-Japan relations or Japan's position in the world. A lot of the DPJ narrative has been very narrowly focused on the U.S. We're sending people to Iraq and Afghanistan because of the U.S.; we're doing this because of the U.S. What I hope will happen is the new government will come and they'll step back, stop worrying about the U.S. so much and think about whether their policies on Afghanistan, on economic reconstruction in Iraq, on revitalizing their own economy, the international financial crisis.

Think about whether these are credible internationally because what is credible to us is going to be credible to India, to Britain, to Canada, to Korea. And so I'm hoping that they'll step out a little bit of this U.S.-Japan prism which they've criticized the government for and step back and think through what will make Japan influential and credible globally. And if they do that, I think they'll move in the right direction.

MR. CAMPBELL: Can I say one other thing on this, Bob, if I may?

MR. SCHIEFFER: Sure.

MR. CAMPBELL: Just the other thing is, let's reflect that our new Japanese friends in government are not just talking to us; they're talking with a range of other countries. It is gratifying how many other countries have gone to the Japanese and said, look, job number one is we want good bilateral relationships with you, but make sure the U.S.-Japan relationship is strong. And so they are hearing that not just from United States, people in government and out of government, but from a whole range of countries – not just in Asia.

MR. SCHIEFFER: I want to go to questions in the audience sooner than we normally do because, actually, we just have so many experts here today. And, first, I'd like to call on the Japanese Ambassador Fujisaki. Mr. Ambassador, would you like to make some comments here or would you like to even ask a question? And would you go to the microphone? We would love for you to go to the microphone. Yes, please.

AMBASSADOR ICHIRO FUJISAKI: In my country, there are sayings that if the three people gets together, it will produce Buddhist wisdom. With these three pundits – (laughter) – huge wisdom. (Laughter.) So there is not much to add to what they've said – and especially, the new government hasn't started yet, and I'm not in a position to interpret what Mr. Hatoyama or what the DPJ is saying. But I'd like to just make a couple of points.

On economy, I think what Mr. Hatoyama might say is that – he is not denying market forces and globalism, but if we leave everything to market alone, it may not produce the best result for the people, so that needs adjustments. And the guiding principal of that adjustment is fraternity because it embodies, in short, to care about others. And I think, as Steve said, it is also here in the United States as well that government is having a bigger role in adjusting economy.

The second point is about U.S.-Japan relations. Mr. Hatoyama is saying that he is seeking for constructive and future-oriented relations between Japan and the United States. And I think it is true that there are some differences between incumbent government and the incoming government on some of the issues. However, what is most important is that DPJ – as well as LDP – is saying that Japan-U.S. relations will continue to be the cornerstone for the foundation of Japan's foreign policy.

My last point is that I've been always saying that in managing important relations like Japan-U.S., three points are important. I've been saying it as three no's: no surprise, no over-politicizing things and, lastly, no taking for granted. And I think these are more true than ever when the two administrations get together. That's my personal comment.

MR. SCHIEFFER: Thank you very much. All right, other questions from the audience? If you could, come you come up? You, go ahead. You're holding your hand up. There you go. I think it works.

Q: Thank you very much. I am Hisao Takosaka with CSIS. I ask a simple but difficult question, hard question to take early, particularly to Dr. Campbell. Under the Japanese political atmosphere of continuing and increasing frustration, seeking for change, it is naturally getting difficult to manage the sensitive issues such as Okinawa issues for both Japanese government and U.S. government both.

And this brings any possibility that U.S. government allows or gives Japanese government some room of maneuver such as giving more time to cool down on the relocation issues of U.S. Marines to Guam or to accept some new proposal from new Japanese government to review some useful stationing agreement? That's all. Thank you.

MR. SCHIEFFER: Steve, would you like –

MR. CAMPBELL: Yeah, and I know Mike will want to say – I'll just say something directly. First of all, one of the things they teach you at the State Department is to repeat what your spokesman has said. (Laughter.) Ross Dimming (ph) taught me that. It took years to learn, but I have finally mastered it. And I think on this particular issue I would refer you to what our State Department spokesman said about our expectations about going ahead here.

I would just say, however, there are expectations that we're going to make progress. The issues on Okinawa have been with us a long time. We have made some progress and we'd like to continue. And it's very important to us. And we feel like we've worked closely with the government in Japan. We're going to continue to work closely. But I would also stand by the statement that our press secretary made yesterday. Thanks.

MR. SCHIEFFER: What is going to be the relationship between Japan and China, too? I'd just like to throw that on the table. Do you all see that changing?

MR. CLEMONS: It's going to be a fun and interesting rollercoaster ride. In my view, I think Japan is going to be in a position where it has to try to work with other states in moving 1.1 billion – as Clyde Prestowitz calls them – new capitalists into a different arena and somehow deal with China's interests and pretensions.

When I was at the – I tell the joke that there was actually a real issue there. A few years ago, I was in Beijing and visited the director of policy planning at China's ministry of foreign affairs and I said, what are you working on? And he says, how to keep you Americans distracted in small Middle Eastern countries. (Laughter.)

And I think that, at the time, there was significant criticism by Japan privately communicated to the Bush administration of the absence of high-level American government officials at key summits in Asia. And one of the things I was very pleased by was Secretary Clinton – and she's doing it globally – is a real presence, going to Japan first, being in Asia, putting in face-time. It really makes a difference because I think that there has been some distraction because of other issues. And I think that that helps Japan somewhat deal with China and its growth and its pretensions in the region.

At the same time, Japan is going to invest in China, but it has also got important identity and history issues that I hope that you see more mature leadership on both sides because I have often said that one of the negative consequences, the moral hazards of the strong American military engagement in the region is in prompts irresponsible behavior by Korean, Japanese and Chinese leaders who want to exploit on a short-term basis a kind of virulent nationalism because they know there is not going to be conflict because we're there. So they can get away with it. And I hope we move out of that phase.

MR. GREEN: I hope that doesn't mean that the conclusion is that if the U.S. pulls militarily out of Asia –

(Cross talk.)

MR. CLEMONS: They will learn to behave? (Chuckles.)

MR. GREEN: – responsible. That's not a – anyways, unless you want to test that thesis – and the administration here will. But on Japan-China, Asia has historically had hierarchical

relationships among the big powers. And Li Kuan Yu (sp) and others have said this is the first time where Japan and China are powerful at the same time.

Now China is moving up, but Japan has got an awful lot of national power. And it's deeply uncomfortable. You can see it in the opinion polls and the deep anxiety about China in Japan. It's shiny submarines circumnavigating Japan; it's nuclear weapons; it's Chinese blocking Japan in diplomatic negotiations around the world including the U.N. Security Council effort; it's poisoned gyoza – dumplings. It's pretty broad. And, yet, at the same time, China has been Japan's largest trading partner, larger than us, for about 4 years now. So there is a very complicated mix of rivalry and interdependence that fundamentally won't change.

In the near term, I think this government has been very clear, this new government – Hatoyama, Okada and others – they want to try to move closer to China. They won't emphasize history issues. That's a good thing, as Kurt pointed out. It's in our interests for Japan and China to work towards a closer relationship. It doesn't help us when there is tension.

I think Steve is right when he says “rollercoaster,” though, because I'm not sure how sustainable that is. And there may even be a little bit of a danger that if the Hatoyama government tries too hard, they are going to start provoking a reaction at home because of the deep anxiety about China. So – complicated rollercoaster, but some good initial steps.

MR. SCHIEFFER: Did you want to add anything?

MR. CAMPBELL: No.

MR. SCHIEFFER: All right, who is – all right, right here.

Q: John Zang with CTI TV of Taiwan. A quick follow-up to Bob's question. The question is for Secretary Campbell and other panelists. We all know that Taiwan has long been a very important factor in Japan-China relationship and U.S.-China relationship. How do you see Taiwan being affected in the new Japan-China relationship and the new Japan-U.S. relationship? Thank you very much.

MR. CAMPBELL: Well, I see continuity in the U.S. sense. I think the administration has started off very clearly in terms of our international commitments. We worked very closely over the last several weeks in a humanitarian effort in response to the tragedy in Taiwan with the typhoon. And I think you're going to see dialogue and appropriate interaction, unofficial interaction between the United States and Taiwan.

I'm going to leave it to Mike to talk about what we think we might expect to see between Japan and Taiwan and indeed other countries. I would say one thing about the overall campaign generally: There has been probably more of a focus on domestic issues and financial issues than there was on international issues. That doesn't mean anything necessarily going forward but I think, as a general proposition, that was the case.

In terms of specifics outside of U.S.-Japan relations and some general statements about wanting to have a closer relationship with Asia, one of the positives, in some respects, for any incoming government is that they are in some respects unencumbered by an enormous number of commitments; the platform is relatively general. And I don't think, actually, there's been much said about this or other issues, but I'll leave it to Mike and others to comment on that.

MR. GREEN: I think there will be a variety of views on Taiwan inside the DPJ, just as there was a variety of views within the LDP, just as there's a variety of views in the Republican and Democratic Parties. If you're watching this closely, then I'd see who's foreign minister because there are some people in the DPJ who want to do a lot to improve relations with China and may cut corners on relations with Taiwan to do it. And there are others who are quite pro-Taiwan. So I won't go into names, but there are different views on this.

But in general, I think Kurt's right. I think the thawing of cross-straits relations has made it easier for everyone else to head into their Taiwan policy, at least for now. And so I wouldn't expect any big changes.

MR. SCHIEFFER: Okay. Next question, there – right here. She's got a mike there, I think.

Q: Paul Eckert of Reuters news agency. Following on that theme, you know that the – and I think this is probably a Mike Green question – the DPJ is a broad umbrella of factions and some are right-leaning. And I'm wondering if it's possible that, you know, the sort of history view that they're going to probably deal with, with Asia, will raise hackles on that side of the party, and you could have another cabinet minister saying something or doing something provocative. You'll recall that, during the non-LDP government of the early '90s, they were also plagued by that because they assembled a group of right-leaning people in their cabinet.

MR. GREEN: You know, I think there's breathing room on the history issue. I think that Hatoyama's promise not to go to the shrine – it did not cause any great backlash in the political debate in Japan. I think, on the history issue, for the time being, there's a little bit of room. And I think that there will not be pressure within the DPJ. But you're right to point out that there are very different views within the party. There are probably 40 or 50 members in the DPJ who are as conservative as the most conservative LDP.

Kurt makes a very good point about where they're going to focus their political capital. And I think, as Kurt suggests, they're going to focus on changing the domestic political economy. Because the reality is, we're all excited about this big change, but it's possible that in three months or six months, these guys will be gone – that some crisis or some mismanagement could cause realignment. They have to win in the upper house election next summer.

So if you're Ichiro Ozawa – the architect of this victory and the guy who wants to win next summer for the DPJ – you don't want to push foreign policies that split your party. You don't want to fight with the Obama administration. President Obama has 82 percent support in Japan. Hatoyama-san has somewhere between 30 and 50 percent support. There's not a whole lot of political hay to be made with a big fight with the U.S.

So I think that's one more reason why you'll see a lot more focus on changing the domestic political economy, starting to steal away interest groups and constituencies from the LDP and get ready to really knock it to 'em, which is what Ichiro Ozawa – the Karl Rove of Japan – is really all about. (Laughter.)

MR. CLEMONS: Yeah, I'd like to just quickly –

MR. GREEN: Karl or Ichiro Ozawa?

MR. CLEMONS: (Chuckles.) I'd like to just quickly respond because your point got to a very good point. In the early 1980s, Henry Kissinger wrote an article critiquing the LDP and saying one of the reasons you couldn't negotiate with the LDP or know what they're doing – because it had all these factions and each faction thought something different about policy. I remember it because it was my first letter to a newspaper that was published, and said, you know, Dr. Kissinger, with all due respect, you're quite wrong because the factions were not driven by policy differences but power differences.

But Henry Kissinger's article, which, if it were resurrected, would be completely true about the DPJ today, where it's not just about power inside the party; you're going to have an incredible policy heterodoxy among a very large-apparatus institution, which they haven't figured out quite how to discipline that yet and how to create conflict-management mechanisms to move forward. And we've seen that in the sort of rotating leadership with, you know, Kan (ph) and Okada and Hatoyama – are all themselves – and Seiji Maehara and others – are going to have to figure that out. But it's not just them; it's other folks, too.

Somebody ought to – I'll look up that Kissinger piece and bring it back. But in that sense, that's a real handicap when it comes to moving, and they've got to figure that out soon. And I don't – from my sources, I don't think they have.

MR. SCHIEFFER: I would just add, Dr. Kissinger called earlier and asked if you were going to be here for this. (Laughter.) No –

(Cross talk.)

MR. SCHIEFFER: He always knows.

MR. CAMPBELL: It's also not clear that the DPJ will replicate exactly this factional approach to politics that the LPJ (sic) did. And the truth is that, that approach sometimes makes it difficult to do the kind of policy concessions, dialogue, implementation that you see in successful democracies. So I agree very much – you know, jury's still out and we'll see, but this is an enormous party with a very wide set of views on almost every imaginable issue.

MR. GREEN: You know, factions were easier, because at least you knew who to go to. (Chuckles.) And this could be a bit amorphous.

MR. SCHIEFFER: Ambassador Paul Wolfowitz is over here.

Q: Hi. Paul Wolfowitz, AEI. This has sort of been addressed, I guess, with the last question, but I'm curious whether any of you think that the desire to improve relations with China might push Japan to do something more than just fewer visits to Yasukuni Shrine.

It's striking, when you compare Japan and Germany, what a great job the Germans have done in addressing their past and what a poor job the Japanese have done. And they talk about improving relations with China and yet, this always comes up as an issue with China. Do you think there's any possibility, with all the other issues they have to address, that they might do something more than, just, not too many visits to Yasukuni?

MR. GREEN: Joe Nye said, in the early '70s, that this history issue would take at least three generations to reconcile. And I've never known how long a generation is, but I don't think we're there yet.

MR. CAMPBELL: Twenty years.

MR. CLEMONS: Twenty years.

MR. GREEN: Twenty years? Well, not too long from now. The difference, obviously, I think between Japan and China and France and Germany is that the Chinese have not done what France obviously could do, which is internal reconciliation about their own history and the history of the Communist Party. And in my view, until China can reconcile internally, it won't happen with Japan – not to put all of the burden on China, but that's one big obstacle.

On the Japanese side, the more taboos fade and the more debate there is, the harder it is to keep people quiet and the more voices will come out on history issues that make it difficult. But as I was saying earlier, I think we are entering a period where, at least, there will be some thawing, and maybe we'll sort of ratchet it down for the longer term. Or maybe we'll be in for a rollercoaster a little while.

MR. SCHIEFFER: Right here.

Q: Thanks so much. Chris Nelson, "Nelson Report." Mike said he was going to write my question for me, but he forgot, so I'm going to ask Kurt all on my own – (chuckles) – we've already mentioned that one of the potential disconnects, if not properly coordinated, is how do we talk to and with North Korea and about what. And the administration has been very consistent in saying that they're not going to talk to them except in terms of negotiations about denuclearization along the lines of the previous agreement.

There is a lot of pressure to go and negotiate with them to see if that's possible to negotiate, which gets us into a chicken-and-egg problem. And until the Japanese work out how they're going to think about us dealing with the North, it might be helpful if you could walk us through, a bit, how you're seeing this chicken-and-egg problem in the moment; what's the

difference between discussions and negotiations and Steve Bosworth going to talk but not deal unless they say in advance it's going to be about the bomb – that sort of thing. Thank you.

MR. CAMPBELL: Much of this is, as you know, Chris, very far ahead of where we are right now. And I think it's well-known to many people here who follow Asia, Steve Bosworth and Ambassador Sung Kim are on a plane today for consultations with our allies in Japan, South Korea and China to talk about next steps. No commitments have been made about either talks, discussions, diplomacy, negotiations at all – nothing vis-à-vis North Korea. We are at an early stage, in which we are presenting some ideas about how to go forward with both Japan, South Korea and China.

I think the basics of that, Chris, are still very clear. We are committed to the six-party framework; we think that the most important agreements with North Korea are embedded in that process, particularly in 2005; we, I think, are united in our belief that we must see a commitment – and a clear and firm commitment – from North Korea, backed up by irreversible steps – that commitment to a nuclear-free North Korea. And we have other issues that we're going to want to discuss associated with proliferation and the like.

Overall, we're at the earliest possible stages. We've just come out of six or seven months of some severe provocations. We continue to implement U.N. Resolution 1784 – and I would just underscore on that, despite some of this discussion about next steps in discussion or dialogue, one of the most interesting things that has happened in recent months is other countries – not just in Asia, but in the Middle East and others – are beginning to take steps to implement 1784 and aspects of the PSI. And I think that is an indication that it's not just in the United States and countries in Asia, but countries in the Middle East and elsewhere that appreciate and understand that some of these provocative steps, transfers of dangerous technologies, are not only bad for countries in the region, but also globally.

So I think, overall, what you will see over the course of the next several months are closer interactions with Korea. Clearly, they're in the process of re-evaluating their own interactions with North Korea. China has been in the process of a rather deep reflection on North Korea, now, for several months. And clearly, we have to give Japan some time to formulate if they're going to have a different set of perspectives on North Korea. We've got to give them time and we recognize that their views on North Korea and this process of five parties – it's essential to keep them engaged.

So that's where we are, Chris. And so I can't get, in advance to you, what will look like – negotiations – and what is our specific approach to various issues because we're actually well before that in this process.

MR. SCHIEFFER: All right. Do we have any women that want to ask a question? So far, it's been an all-male show. This lady right here.

Q: Hi, Michelle Jamrisko, Kyoto News. Setting aside the larger security and economic and other issues for the moment, could you name a few things in the short term that the new Japanese government can do to reassure the U.S.? Mr. Campbell, you mentioned not throwing

out the bureaucrats as the enemy, and Mr. Green, you said that the China engagement would be good. Are there other things that they could do in the next few months that they could see?

MR. SCHIEFFER: Michelle, I'm sorry, I didn't recognize you over there. (Chuckles.)

MR. CAMPBELL: Can I just say – just on the issue of the bureaucrats, that is not a, you know, government-coordinated position on the part of the United States. (Laughter.) It isn't, you know, like we got together today and said we've got to keep the bureaucrats. That's not what I was suggesting. (Laughter.) I was making a personal observation of the people that I have worked with, and so –

MR. SCHIEFFER: Despite your job, Kurt, nobody looks at you as a bureaucrat. (Laughter.)

MR. CAMPBELL: I know. I'll leave that to the side. But I think there's some issues that we're going to look to see a commitment on the part of Japan. The U.N. General Assembly is coming up. The truth is, as both of my colleagues have underscored, Japan's leadership role in the United Nations is just essential. And it's a leadership role; it's not a followership (sic) – they take initiatives on a range of issues. We want to see that activism continue at the United Nations. And we'll see, hopefully, some evidence of that later this month.

I'd like to see a continued commitment from Japan on climate change, on the issues associated, in the lead up to some very difficult negotiations in Copenhagen. And I think there are a range of other international global health issues where, coming into the flu season, Japan has played an incredibly important role in some of the aspects associated with the early steps on H1N1. So I mean, those are some basic steps. But I think overall, continuing a course that Japan has been on will be an important contribution to the maintenance of peace and stability and sort of an activist global role.

MR. GREEN: I think the – I'm not in the government so I can say this – I think the kind of tone in the New York Times and Huffington Post article about globalization and American-led capitalism is all fine during election campaign and transition. Kurt and I have worked on election campaigns; our candidates have said things that we kind of, you know, scratched our heads and some advisors get something into a speech and everyone else in the party regrets it, and these things happen.

An early indication – not – (laughter) – I won't give examples. An early indication to me will be if this rhetoric stops when they come into power September 16, 17 – whatever it is. It's not particularly helpful. It helps explain the philosophy. You don't need it when you're in government. That would be one thing.

I think that right now, my sense is that the DPJ is testing in the U.S. to see what they can get away with, from the various promises they made about stopping ships in Afghanistan – or in the Indian Ocean and this and that and the other thing. And an early good sign would be if they stopped asking which of their wish lists they can have and started a dialogue with the administration about what they can do. You know, instead of saying, we don't want to send

ships to the Indian Ocean, a dialogue based on what can we do in Afghanistan. Let's put the ships aside for now; what can we do, and here are the resources that Japan has.

That kind of proactive agenda with the Obama administration – here's what – you know, yes we can – (laughter) – here's the kinds of things Japan can do. And they can – you know, it will be their decision, you know, obviously, and there will be a menu. But right now, my sense is, the interactions are, well, we said in the campaign we wouldn't do this; is it okay if we don't do it? Move away from the "can't do"; start an agenda and a dialogue on here's what Japan can do.

That would immediately be recognized, not only in the U.S., but in other countries, as a sign that these are people who really want to keep Japan in the – in the international – I was going to say in the fight – but in the problem-solving business, internationally.

MR. CLEMONS: You know, if I can, a short while ago – a few months ago, the Japan-America Society of Southern California had its 100th anniversary. I went back for that – big dinner at Universal Studios; maybe some of you were there. Ambassador Fujisaki – and this is all cleared by him to put on the record – and I had joked with him about the importance of Taro Aso – the former prime minister – being Barack Obama's first official guest at the White House – first official foreign leader guest.

And I asked him what – how high the price was. And he goes oh, Steve, that's such, you know, decade-old thinking. We're not in that anymore. But at the point, you know, in my view of why Barack Obama invited Taro Aso to have that place – very important – is on the international economic questions. I don't believe that the global financial heart attack is over. I think there are significant challenges ahead on how to deal with the problem of developing countries.

Japan still sits on, today, the largest discretionary capital pile in the world – larger than China, in terms of what they can do. The financing and whatnot is very important – Japan has severe economic problems – but what it can do and the parameters of what it can do in the international economic order are absolutely vital. And I think, in my view, the impression is that Japan has been somewhat internally consumed and not playing at its weight, if you will, in this international level.

So one of the things I think it needs to do and one of the things I think Barack Obama's very focused on is, our partners and co-stewards, if you will, of a revitalized international economy – and Japan has got to move into that – I think is moving into that fjord. And I think Hatoyama and others need to show their ability to play in that game.

MR. CAMPBELL: I like both of these. I would just say one thing I'm just struck by as we're talking about this. We're assuming – or at least, I've actually assumed – that we will have sort of a placid period – you know, leisurely, in a sense – where a new government can come up to speed. The truth is, global politics has a way of testing new leaders, whether in the United States or elsewhere, and we just don't know whether we'll have that luxury in Japan or elsewhere.

MR. CLEMONS: You could imagine Joe Biden saying in six months, Yukio Hatoyama will be tested. (Laughter.)

MR. SCHIEFFER: The chairman of CSIS is in the audience. Senator Nunn, would you like to give us our final question or, maybe, have a comment here?

Q: Well, first, Bob, I want to thank TCU and the Schieffer School of Journalism for sponsoring this series of programs. This has been an outstanding panel today. Kurt, we're glad to have you back; Steve, Mike, we're glad to have you here. You've done a great job, Bob, and we appreciate the school of journalism both naming the school after you and also assigning you to this important task working with CSIS. It's terrific.

I have been reminded today by the panel – and I think a unanimous view – that politicians should not, on their own, try to frame questions – that we need bureaucrats and staff people for that purpose. (Laughter.) But I'll close with one question, and that is energy and environment – did it come up much in the campaign? Or the nuclear issue – were either of those big issues or do you expect any significant change in the new government?

MR. GREEN: I'm thinking now of the headline from this panel, which is "Former and Current Bureaucrats and Staffers Tell Japan Be Good to Bureaucrats and Staffers." (Laughter.)

MR. CLEMONS: Hire more. (Laughter.)

MR. GREEN: Well, Steve made a really good point about Japan not getting credit for all it can do and all it has done – significant pledges to the IMF, but also very significant targets for climate change. And the DPJ has actually, in their campaign manifesto, one-upped the LDP in the cuts that they have pledged to make in emissions. I think that they'll find it very hard, but they are definitely setting their pennant very far forward on climate change. And that's one.

On nuclear power, it will be interesting. The DPJ has a bit of a mixed set of views on nuclear power in Japan, but I think generally, Japan will keep, as everyone has had to, moving in the direction of more nuclear power. They have, on the proliferation side of energy, they have put out a lot of signals they want to do more on reducing nuclear weapons, you know, on article VI of the NPT, the Conventional Test-Ban Treaty. Not a lot of specifics yet, but I think there's a lot of potential there for the U.S. and other countries to work with the new government, see what Japan can do in terms of realistic policies to reduce nuclear weapons and to deal with proliferation.

There's a lot of idealism in what they've put out. I think the mainstream in Japan is still very, very concerned about the credibility of the extended nuclear deterrent. We shouldn't be confused by this. Yes, there's an idealistic overlay and a desire to do this, but right beneath it is a real concern about the credibility of our extended deterrent. So this is a really ripe area for us to not only reassure Japan, but I think, for Kurt and others to come up with a very proactive agenda to take some of these ambitious views that the new government has on nuclear weapons and put them into practice.

MR. SCHIEFFER: Steve, why don't you have a final thought and then we'll let the secretary close out.

MR. CLEMONS: Yeah, very quickly, you know, without – I agree with everything Mike said on the nuclear weapons issue. On the energy and environment issue, these were very big issues. And the DPJ was essentially talking about quality of life issues at the local level and trying to improve that, but then also, jumping from that to, sort of, global quality of life.

And it sounded very Obama-esque. I actually think Hatoyama sounds like a very Obama-esque character. And frankly, from a policy perspective of talking to the policy staff, again – to make a play for the bureaucrats there within the DPJ – they see lots of opportunities, given Japan's particular skill sets and strengths, of really being the innovative, driving force of green economy, and I think much more so, frankly, than the United States is in a position to be.

And so on energy/environment, I think they see these things as areas of collaboration, strength, skill. We recently had – you know, and I think they look at the move the United States is moving in – and we had the chairman of the folks that run the Shinkansen in here recently trying to say, we'll give you our technology to help make the Shinkansen work for the United States. They see all of this as, essentially, a business-economic opportunity for revitalization of Japan, and the DPJ has been trumpeting that.

MR. SCHIEFFER: Mr. Secretary, why don't you close it out for us?

MR. CAMPBELL: Just first of all, terrific. I hope when we have our next meeting on U.S.-Japan relations, we have the same number of people here and that we can sustain this interest, and I just want to say –

MR. CLEMONS: As long as you're here, they'll be here. (Laughter.)

MR. CAMPBELL: I'm sure that's the case. Another fire at bureaucrats, yeah. (Laughter.) I thank both my colleagues for being here.

MR. SCHIEFFER: Gentlemen, thank you all, and for TCU and CSIS, thanks all of you. (Applause.) That was terrific. I love these things.

(Off-side conversation.)

(END)