

U.S.-JAPAN RELATIONS: AN OVERVIEW

HEARING
BEFORE THE
SUBCOMMITTEE ON ASIA, THE PACIFIC, AND
THE GLOBAL ENVIRONMENT
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
SECOND SESSION

—————
JUNE 12, 2008
—————

Serial No. 110-223
—————

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

—————
U.S. GOVERNMENT PRINTING OFFICE

42-907PDF

WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN AFFAIRS

HOWARD L. BERMAN, California, *Chairman*

GARY L. ACKERMAN, New York	ILEANA ROS-LEHTINEN, Florida
ENI F.H. FALEOMAVAEGA, American Samoa	CHRISTOPHER H. SMITH, New Jersey
DONALD M. PAYNE, New Jersey	DAN BURTON, Indiana
BRAD SHERMAN, California	ELTON GALLEGLY, California
ROBERT WEXLER, Florida	DANA ROHRABACHER, California
ELIOT L. ENGEL, New York	DONALD A. MANZULLO, Illinois
BILL DELAHUNT, Massachusetts	EDWARD R. ROYCE, California
GREGORY W. MEEKS, New York	STEVE CHABOT, Ohio
DIANE E. WATSON, California	THOMAS G. TANCREDO, Colorado
ADAM SMITH, Washington	RON PAUL, Texas
RUSS CARNAHAN, Missouri	JEFF FLAKE, Arizona
JOHN S. TANNER, Tennessee	MIKE PENCE, Indiana
GENE GREEN, Texas	JOE WILSON, South Carolina
LYNN C. WOOLSEY, California	JOHN BOOZMAN, Arkansas
SHEILA JACKSON LEE, Texas	J. GRESHAM BARRETT, South Carolina
RUBÉN HINOJOSA, Texas	CONNIE MACK, Florida
JOSEPH CROWLEY, New York	JEFF FORTENBERRY, Nebraska
DAVID WU, Oregon	MICHAEL T. McCAUL, Texas
BRAD MILLER, North Carolina	TED POE, Texas
LINDA T. SÁNCHEZ, California	BOB INGLIS, South Carolina
DAVID SCOTT, Georgia	LUIS G. FORTUÑO, Puerto Rico
JIM COSTA, California	GUS BILIRAKIS, Florida
ALBIO SIRES, New Jersey	VACANT
GABRIELLE GIFFORDS, Arizona	
RON KLEIN, Florida	
BARBARA LEE, California	

ROBERT R. KING, *Staff Director*

YLEEM POBLETE, *Republican Staff Director*

SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT

ENI F. H. FALEOMAVAEGA, American Samoa, *Chairman*

ADAM SMITH, Washington	DONALD A. MANZULLO, Illinois
GARY L. ACKERMAN, New York	DAN BURTON, Indiana
GREGORY W. MEEKS, New York,	DANA ROHRABACHER, California
<i>Vice Chair</i>	EDWARD R. ROYCE, California
DIANE E. WATSON, California	STEVE CHABOT, Ohio
RUBEN HINOJOSA, Texas	JEFF FLAKE, Arizona
ALBIO SIRES, New Jersey	

LISA WILLIAMS, *Subcommittee Staff Director*

DAVID RICHMOND, *Subcommittee Professional Staff Member*

NIEN SU, *Republican Professional Staff Member*

VILI LEI, *Staff Associate*

CONTENTS

	Page
WITNESS	
Mr. Alexander A. Arvizu, Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, U.S. Department of State	3
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Eni F.H. Faleomavaega, a Representative in Congress from American Samoa, and Chairman, Subcommittee on Asia, the Pacific, and the Global Environment: Prepared statement	2
Mr. Alexander A. Arvizu: Prepared statement	7
The Honorable Donald A. Manzullo, a Representative in Congress from the State of Illinois: Prepared statement	22

U.S.–JAPAN RELATIONS: AN OVERVIEW

THURSDAY, JUNE 12, 2008

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA, THE PACIFIC,
AND THE GLOBAL ENVIRONMENT,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 o'clock p.m. in room 2172, Rayburn House Office Building, Hon. Eni F.H. Faleomavaega (chairman of the subcommittee) presiding.

Mr. FALEOMAVAEGA. The subcommittee hearing will come to order. This is a hearing of the Committee on Foreign Affairs' Subcommittee on Asia, the Pacific, and the Global Environment. My distinguished colleague and ranking member, the gentleman from Illinois, Mr. Manzullo, will be arriving at a later time. But I would like to proceed now by giving my opening statement and certainly would like to welcome Secretary Arvizu for being here to testify. This subcommittee hearing is on United States-Japan relations, an overview of the current situation and where we are now.

According to the Congressional Research Service, the once strong relationship between the United States and Japan may be in decline due to the United States shift on North Korea nuclear negotiations, a decision not to export the F-22 jet fighter to Japan, Japan's restrictions on United States beef imports, the realignment of United States forces in Japan, and the July 2007 passage of House Resolution 121 by the U.S. House of Representatives, which called upon Japan to formally acknowledge, apologize, and accept historical responsibility for its imperial armed forces coercion of some 200,000 Asian women, young women into sexual slavery during its occupation of Asia and other parts of the Pacific during World War II.

It is my humble opinion that this matter should be taken before the United Nations, and it is my hope and sincere desire that someday we should have some kind of a Geneva Convention, some kind of an international protocol on this very issue. This is not to point fingers at Japan personally, but this is just the idea that women should never again be subjected to this kind of abuse at any time during any war or any conflict. And this is my sincere hope, that in the coming months that we will be taking this up with the appropriate officials, not only with the Department of State, but certainly with the United Nations itself.

So I want to make it clear for the record that this is not in any way a personal castigation or a criticism against the good people of Japan. The fact of the matter is this happened during World

War II and I think there should be some kind of action taken to see that not just Japanese women, any woman from any country, any region, any part of the world should never be subjected to this kind of abuse.

The realignment of U.S. forces is also placing pressure on the United States-Japan relationship. The realignment calls for moving a Marine air station in Okinawa to a less congested area and transferring some 8,000 Marines and their families to the U.S. Territory of Guam. Japan is assuming approximately 59 percent, or about \$6 billion of the estimated cost to relocate forces, U.S. Marine forces, from Okinawa to Guam and may have to spend an estimated \$20 billion for the overall realignment of United States troops in the region. Political divisions between the Upper House and the Lower House apparently are delaying the process.

Political turmoil in Tokyo is also detracting from our relationship as the Japanese population is demanding that more attention be paid to domestic issues. Prime Minister Fukuda's mishandling of a controversial gasoline tax and the government's mismanagement of pension records has dragged his approval ratings to less than 20 percent.

Given these conditions, I am concerned about the State of our relationship. Japan has been one of our strongest allies in the region and has contributed significantly to the war in Iraq. Unfortunately, the war in Iraq has taken our attention away from our own domestic needs and all things in Asia, but I believe the time has come for us to put our relationship with Japan back on track.

In fairness to Japan, I believe the United States should have stuck to its commitment during the Six-Party Talks and insisted that North Korea disclose the fate and the whereabouts of several Japanese citizens abducted by North Korean agents in the 1970s, as well as the 1980s. Having said this, I find it ironic that Japan is ignoring the pleas of parents from the United States, from Canada and elsewhere whose children are wrongfully taken and kept in Japan in the case of broken international marriages. Japan is yet to sign a parental abduction treaty with an eye on meeting the requirements of the 1988 Convention on Civil Aspects of International Child Abduction.

To avoid further criticism and growing international pressure, I am hopeful that Japan will resolve its issues soon, and for the record, I am including extraneous materials regarding this sensitive and timely subject.

It is now my pleasure to welcome Deputy Assistant Secretary Arvizu and I have great confidence in Secretary Arvizu. He is a man of integrity and I trust his insights, and I also thank him for being with us again today.

Mr. Secretary, you have the floor.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT

According to the Congressional Research Service, the once strong relationship between the U.S. and Japan may be in decline due to the U.S. shift on North Korean nuclear negotiations, the decision not to export the F-22 to Japan, Japan's restrictions on U.S. beef imports, the realignment of U.S. forces in Japan, and the July

2007 passage of House Resolution 121 by the U.S. House of Representatives which called upon Japan to formally acknowledge, apologize, and accept historical responsibility for its Imperial Armed Forces' coercion of young women into sexual slavery during its occupation of Asia and the Pacific Islands during WWII.

Realignment of U.S. forces is also placing pressure on the U.S.-Japan relationship. The realignment calls for moving a Marine air station in Okinawa to a less-congested area and transferring 8,000 Marines to Guam. Japan is assuming 59%, or about \$6 billion, of the estimated cost to relocate forces from Okinawa to Guam and may have to spend an estimated \$20 billion for the overall realignment of U.S. troops in the region. Political divisions between the Upper House and Lower House are delaying the process.

Political turmoil in Tokyo is also detracting from our relationship, as the Japanese population is demanding that more attention be paid to domestic issues. Prime Minister Fukuda's mishandling of a controversial gasoline tax and the government's mismanagement of pension records have dragged his approval ratings to less than 20%.

Given these considerations, I am concerned about the state of our relationship. Japan has been one of our strongest allies in the region and has contributed significantly to the war in Iraq. Unfortunately, the war in Iraq has taken our attention away from all things Asia but I believe the time has come for us to put our relationship with Japan back on track.

In fairness to Japan, I believe the U.S. should have stuck to its commitment during the Six-Party talks and insisted that North Korea disclose the fate and/or whereabouts of several Japanese citizens abducted by North Korean Agents in the 1970s and '80s.

Having said this, I find it ironic that Japan is ignoring the pleas of parents from the U.S., Canada and elsewhere whose children are wrongfully taken and kept in Japan in the case of broken international marriages. Japan has yet to sign a parental-abduction treaty with an eye on meeting the requirements of the 1980 Hague Convention on Civil Aspects of International Child Abduction. To avoid further criticism and growing international pressure, I am hopeful that Japan will resolve this issue soon and, for the record, I am including extraneous material regarding this sensitive and timely subject.

It is now my pleasure to welcome Deputy Assistant Secretary Alexander Arvizu. I have great confidence in Secretary Arvizu. He is a man of integrity and I trust his insight. I also thank him for being with us again today.

At this time, I also recognize our Ranking Member for opening remarks.

STATEMENT OF MR. ALEXANDER A. ARVIZU, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. ARVIZU. Thank you, Mr. Chairman, thank you very much for inviting me back to your subcommittee. In less than 1 month, Mr. Chairman, Japan will host the G-8 Summit at Lake Toya on its northern island of Hokkaido. The G-8 Summit will provide an excellent opportunity for Japan to showcase its regional and global leadership role as well as be an opportunity to strengthen the United States-Japanese partnership on a wide range of key issues.

In less than 2 years from now, in 2010, the United States and Japan will celebrate the 50th anniversary of our Treaty of Mutual Cooperation and Security. This historic milestone will be an occasion to reflect not only on past successes but an opportunity to look ahead to future challenges and possibilities.

Our alliance with Japan has evolved into a comprehensive political and economic partnership, one that is based on shared values and a shared vision and one which benefits Americans, Japanese and people throughout the Asia-Pacific region.

Japan is one of our most important trading partners, and it is a staunch ally. The Self Defense Forces are supporting United States and coalition partners in reconstruction and humanitarian

assistance operations in Iraq and also in Operation Enduring Freedom.

In Asia, we collaborate on regional economic integration, promotion of democracy and human rights, and coordination of humanitarian assistance and disaster relief.

Japan is becoming a more active partner in global affairs. Our bilateral and multilateral cooperation transcends the Asia-Pacific region, to include African development, promoting peace in the Middle East and mitigating the effects of climate change.

Mr. Chairman, I believe a brief look at the current domestic political situation in Japan is in order, and it may help provide some context for broader discussion of the United States-Japan security alliance and other issues.

Prime Minister Fukuda assumed office in September 2007 after the ruling LDP, the Liberal Democratic Party, lost its majority in the Upper House in the July 2007 elections. This marked the first time since right before the Second World War that Japan has been governed by a divided Diet. The Fukuda cabinet, the ruling LDP and the main opposition party known as the Democratic Party of Japan, they are all navigating in uncharted waters as a result of this phenomenon. The reality is that Japan is likely to experience several years of political uncertainty, which will certainly have an impact on government decision making. Progress on the full range of issues of importance to the United States, many of which you highlighted in your summary, Mr. Chairman, will be possible. But I will be very honest to say I think we have our work cut out for us on several of those.

If I could just speak very briefly to three of the outstanding areas that you highlighted. One is the United States-Japan security alliance. The Treaty of Mutual Cooperation and Security between the United States and Japan was signed in 1960 in a very different era and a period marked by uncertainty of the United States over the treaty's real strategic value, and in Japan it was matched by protests and demonstrations over the very concept of entering into a formal alliance with a distant nation that only recently had been an adversary.

Since that time, our strategic relationship has become the linchpin of American security policy in the Asia-Pacific region and it forms the core element of Japan's national security posture. Japan's provision of bases allows the United States to project military power and contribute to the defense of Japan. It also provides a platform for the forward deployment of United States forces that allows us to meet our other regional objectives such as contributing to peace and security on the Korean Peninsula and looking after maritime security in the region's critical sea lanes.

I am happy to report that opinion polls in Japan consistently show strong support for our continued presence. For its part the Government of Japan makes significant contributions to the basing of our forces, which you alluded to, which currently number more than 48,000. A Special Measures Agreement concluded in December of last year will provide approximately \$4 billion through 2010 for the basing of U.S. forces.

This August, the *USS George Washington* is scheduled to deploy to Japan, and it will become the first nuclear powered aircraft car-

rier to be forward deployed outside the United States. The *George Washington's* deployment is but one element of a broader effort to transform and realign American forces in Japan. Through what is known as the Defense Policy Review Initiative, both countries committed under a 2006 realignment roadmap to implement a comprehensive roadmap or a package of force posture realignments that will benefit the alliance.

This transformation will include the relocation of approximately 8,000 Marines from Okinawa to Guam, it will entail camp relocations and land returns on Okinawa as well as other realignments and combined capability changes on mainland Japan, including important collaboration on ballistic missile defense. This realignment will strengthen both countries' ability to meet current responsibilities and create an alliance that is more flexible, capable and better able to work together to address common security concerns, whether in the region or globally.

Mr. Chairman, the United States and Japan are the world's two largest economies, together generating over one-third of global output. We exchange the equivalent of \$760 million of goods and services every single day. In 2005, the last year for which complete statistics are available, Japanese companies in the United States employed more than 610,000 American workers; whereas, United States firms provided jobs for over 242,000 Japanese workers.

More and more we find that our economic engagement is global in scope as we tackle issues like energy, security and climate change, intellectual property rights, and increasingly integrated Asia-Pacific economic community and development needs in Iraq, Afghanistan, Africa and elsewhere.

In May of this year, the United States announced substantial new food assistance designed to alleviate the burden for sharply higher food prices on the world's poor. We also agreed that Japan could release to countries in need a portion of the rice it imports under WTO Uruguay Round commitments on an exceptional basis for this year only. We believe this action is helping to stabilize the international rice market, and we continue to discuss with Japan and others the root causes of high food prices.

All the same, we need to continue efforts to expand trade and investment between us. Our trade with Japan is not growing at the same rate as our trade with other countries in the region. We continue to urge Japan to make meaningful market access commitments in the Doha Development Round negotiations. We are also working hard to reopen the Japanese market to United States beef, consistent with the standards of the World Organization for Animal Health.

We do look to Japan to create and maintain a climate that is more welcoming and open to foreign investment. The Japanese took some steps last October by opening up new opportunities for highly competitive American firms to serve Japanese consumers in the banking, insurance and express delivery sectors.

On global partnership issues, Mr. Chairman, the influence of United States-Japan partnership is increasingly being felt around the world. We are both committed to helping build a democratic, pluralistic and unified Iraq. The successful deployment of Japan's Self Defense Forces to southern Iraq was a historic milestone in

our bilateral defense cooperation, and the coalition in Iraq appreciates Japan's continuing contribution of transport aircraft. We also value Japan's leading role as a provider of financial and humanitarian assistance to the Iraqi Government and people.

Japan plays an important role in rebuilding Afghanistan through its generous reconstruction and humanitarian assistance, which includes a commitment to rebuild the southern portion of the Kabul-Kandahar-Herat Road. We are grateful for Japan's ongoing refueling mission in the Indian Ocean in support of Operation Enduring Freedom. These contributions demonstrate that Japan has much to offer the world in the security arena, and the world has shown that it does welcome a larger international security role for Japan.

Mr. Chairman, we stand together at the forefront of efforts to help countries in the wake of devastating natural disasters. Following Cyclone Nargis, which devastated parts of Burma, Japan joined the United States in offering assistance and in advocating for greater access, greater international aid experts to conduct independent assessments and to help assistance reach those in need quickly and effectively. Japan has provided \$10 million in humanitarian assistance and joined the international community in calling on the Burmese authorities to be more transparent and accountable in their management of relief efforts.

Japan's material assistance to China following the Sichuan earthquake has totaled \$12 million. In addition, Japan has dispatched close to 100 rescue workers and medical specialists to the affected areas.

Mr. Chairman, I would like to conclude by noting that Japan's G-8 presidency presents an ideal opportunity to highlight our collaboration in pursuit of common objectives. For the summit, Japan has chosen to focus on four key themes, these being environment and climate change, development and Africa, the world economy, and political issues, including nonproliferation. We are working with the Japanese Government to enhance G-8 follow-through on past commitments regarding Africa, health, anti-corruption and other areas.

Japan will also host on July 9th a Major Economies Leader's meeting to discuss energy security and climate change.

Mr. Chairman, I have a fuller statement that I submitted for the record, but if I may be permitted to take just 1 minute to address something that you raised in your statement about parental abductions and some past history issues.

I am happy to report that in 2008 our collaboration with Japan on certain issues affecting vulnerable populations is robust. I think it is a model for a lot of other partnerships and alliances that we have. I would note, for example, that Ambassador Schieffer has been very active in Tokyo in trying to promote greater recognition of the dangers of child pornography. He has been very active in meeting with Diet members, government officials, and we are actually seeing some tangible progress there both on the part of the government as well as the Diet in introducing some legislation to guard against the effects of child pornography.

Similarly, we have been working very closely with Japan to address trafficking in persons issues. We feel like we have a very constructive dialogue. The Japanese acknowledge it is an issue. Obvi-

ously there is some improvements that we would like to see, but we do have an active dialogue, and I am convinced that the trafficking persons situation as it relates to Japan is about to improve over time.

Thank you very much, Mr. Chairman. I look forward to your questions, sir.

[The prepared statement of Mr. Arvizu follows:]

PREPARED STATEMENT OF MR. ALEXANDER A. ARVIZU, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

U.S.-JAPAN RELATIONS: PARTNERSHIP AND PROGRESS

Mr. Chairman, Mr. Manzullo, and Members of the Subcommittee, it is a privilege to appear before you today. In less than one month, Japan will host the G8 Summit at Lake Toya on its northern island of Hokkaido. The Summit provides an excellent opportunity for Japan to showcase its growing regional and global leadership role, as well as an opportunity to strengthen the U.S.-Japanese partnership on a wide range of key issues.

The U.S. and Japan will celebrate the 50th anniversary of our Treaty of Mutual Cooperation and Security in 2010. This historic milestone is not just an occasion to reflect on the successes of the past six decades, but an opportunity to look forward toward future challenges and possibilities. Our Alliance with Japan has not only enhanced our own security and that of the region; it has blossomed into a political and economic partnership based on shared values and shared vision that provides substantial benefits to both countries and to people throughout the Asia-Pacific region.

Japan is one of our most important trading partners and a staunch and reliable ally in fora ranging from the United Nations to the Six-Party Talks. Men and women from Japan's Self-Defense Forces support U.S. and coalition partners in Iraqi reconstruction and humanitarian assistance operations and Operation Enduring Freedom. We work together on important issues throughout Asia such as increasing regional economic integration, promoting democracy and human rights and coordinating humanitarian assistance and disaster relief. Japan is also becoming a more active partner in global affairs, and our bilateral and multilateral cooperation transcends the Asia-Pacific region to include African development, promoting peace in the Middle-East and combating climate change.

Whatever challenges the next 50 years beyond 2010 may bring, I am confident our relationship with Japan will deepen and evolve so that it will contribute to peace, prosperity and security for the region and beyond.

Japanese Domestic Politics

Mr. Chairman, a brief look at the current domestic political situation in Japan may help provide context for a broader discussion of U.S.-Japan security alliance issues and political and economic issues.

Prime Minister Yasuo Fukuda assumed office in September of 2007, after the ruling Liberal Democratic Party (LDP) lost its majority in the Upper House in the July 2007 elections. Due to the electoral cycle, Japan may face a few years of legislative uncertainty, which will certainly affect the speed of government decision making. This is the first time since before the Second World War that Japan has been governed by a divided Diet; and the Fukuda Cabinet, the LDP, and the main opposition party—the Democratic Party of Japan (DPJ)—are navigating uncharted waters. As the largest party in the Upper House of the Diet, the DPJ now has the power to greatly hinder legislation. While the LDP can technically override the Upper House and enact legislation due to their supra-majority in the Lower House, as a practical matter there are severe constraints on the Fukuda cabinet's ability to employ this tactic. This is especially true on issues with a high public profile, deemed to require substantial debate and compromise before passage into law.

However, the DPJ would like to demonstrate to the Japanese people that it can govern effectively. Thus, there is room for compromise and incentive to do so. Progress on a range of issues of both domestic and international importance is possible, but the rationale for action is occasionally less clear than it has been in the past.

U.S.-Japan Security Alliance

The Treaty of Mutual Cooperation and Security was signed between the United States and Japan in 1960 during a very different era—at the height of the Cold War—and was marked by uncertainty in the United States over the treaty's real strategic value and by protests and demonstrations in Japan over the very concept of entering into a formal alliance with a former adversary. The strategic relationship has evolved over the years into the linchpin of American security policy in the Pacific and a core element of Japan's national security policy. Japan's provision of bases allows the United States to project military power into this critical region and contribute to the defense of Japan. It also provides a platform for the forward deployment of U.S. forces that enhances our ability to meet other regional responsibilities and objectives that the U.S. and Japan share such as the stability of the Korean peninsula and maritime security in the region's critical sea lanes. Opinion polls in Japan consistently show strong support for our continued presence, and the Government of Japan makes significant contributions to the basing of our forces. A Special Measures Agreement concluded this past December will provide approximately \$4 billion through 2010 for the basing of U.S. Forces in Japan (USFJ).

There are more than 48,000 American military personnel deployed in Japan, including our only forward deployed carrier strike group, the 5th Air Force, and the III Marine Expeditionary Force. This August, the *USS George Washington* is scheduled to deploy to Japan, the first American nuclear-powered aircraft carrier to be forward deployed outside of the United States. The *George Washington's* deployment is just one element of a broader effort to transform and realign American forces in Japan. Through the Defense Policy Review Initiative (DPRI), the United States and Japan made a landmark alliance commitment under the 2006 U.S.-Japan Realignment Roadmap to implement a coherent package of force posture realignments that will have far-reaching benefits for the Alliance. These changes will help strengthen the flexibility and deterrent capability of U.S. forces while creating the conditions for a more sustainable U.S. military presence in the region. The transformation includes the relocation of approximately 8,000 Marines from Okinawa to Guam, force posture relocations and land returns on Okinawa, and other realignments and combined capability changes on mainland Japan (e.g., increased interoperability, as well as collaboration on ballistic missile defense). This realignment will strengthen both countries' ability to meet current responsibilities and create an Alliance that is more flexible, capable, and better able to work together to address common security concerns, whether in the region or globally.

The U.S.-Japan Economic Relationship

Mr. Chairman, the United States and Japan are the world's largest economies, together generating over a third of global output. We owe much of our prosperity to our bilateral economic relationship. Japan and the United States exchange the equivalent of \$760 million in goods and services every day; Japanese companies in the United States employed 613,500 American workers in 2005; and U.S. firms provided jobs for over 242,000 Japanese workers. Our economic relationship is more cooperative and less confrontational than in the past. We recognize that to sustain productive, growing domestic economies and maintain a strong international system based on free markets, opportunity, and effective and responsible economic governance, we need to work together. We are global leaders, and we are finding more and more that our engagement is global in scope as we tackle issues like energy security and climate change; protect intellectual property rights; deepen and strengthen the Asia-Pacific economic community; and address critical development needs in Iraq, Afghanistan, Africa and elsewhere. To alleviate the burden of sharply higher food prices on the world's poor, in May the United States announced substantial new food aid. We also agreed that Japan could release to countries in need a portion of the rice imported under WTO Uruguay Round commitments on an exceptional basis this year. We believe this will help calm the international rice market, and we continue to discuss the causes of these high food prices.

As important as our global economic relationship has become, we also need to continue our efforts to expand trade and investment between us. Our trade with Japan is not growing at the same rate as our trade with other countries in the region, and we continue to urge Japan to make meaningful market access commitments in the Doha Development Round negotiations. We are working hard to reopen the Japanese market to U.S. beef, consistent with the standards of the World Organization for Animal Health. In its policies and public statements, Japan should create and maintain a climate that welcomes foreign investment. We are also in close touch with the Japanese Government as the ten-year process to privatize Japan Post proceeds. The first steps began last October, opening up new opportunities for highly competitive American firms to serve Japanese consumers in the banking, insurance,

and express delivery sectors. We are also pleased with our growing efforts with Japan to establish strong trade security protections, which will be essential to the movement of goods.

Global Partnership Issues

The influence of the U.S.-Japan partnership is increasingly felt around the world. We appreciate Japan's strong support for the war on terror, particularly in Iraq and Afghanistan. We are both committed to helping build a democratic, pluralistic, and unified Iraq. The successful deployment of Japan's Self-Defense Forces to southern Iraq was a historic milestone for U.S.-Japan cooperation, and the Coalition in Iraq appreciates Japan's continuing contribution of transport aircraft. We deeply value Japan's leading role as a provider of financial and humanitarian assistance to the Iraqi government and people. Japan also plays an important role in rebuilding Afghanistan through its generous reconstruction and humanitarian assistance, including a commitment to rebuild the southern portion of the Kabul-Kandahar-Herat road. The United States is grateful for Japan's ongoing refueling mission in the Indian Ocean in support of Operation Enduring Freedom. These contributions have demonstrated that Japan has much to offer the world in the security arena, and the world has shown that it welcomes continued increases in Japan's international security roles.

Our cooperation extends beyond security. We stand together at the forefront of efforts to help countries in the wake of devastating natural disasters, including the Indian Ocean tsunami in December 2004, the Pakistan earthquake in October 2005, the Central Java earthquake in 2006, and most recently, the cyclone in Burma and earthquake in western China. In the wake of Cyclone Nargis, Japan joined the United States in offering assistance and in advocating for greater access for international aid experts to conduct independent assessments and to help assistance reach those in need as quickly and effectively as possible. Japan has provided \$10 million in humanitarian assistance, and joined the international community in calling for the Burmese authorities to be fully transparent and accountable in their management of relief efforts. Japan's material assistance to China in the wake of the Sichuan earthquake has so far totaled \$12 million. In addition, close to 100 Japanese rescue workers and medical specialists have been dispatched.

We are also working together with Japan and others to develop a new regional initiative to promote good governance, democratic values and human rights in the Asia Pacific region. Japan has been a key partner in these regional efforts to date and we expect their leadership to grow in this area.

Japan's G8 Priorities

Mr. Chairman, Japan's G8 Presidency presents an opportunity to work together to achieve our common goals. Japan is focusing on four key themes: environment and climate change, development and Africa, the world economy, and political issues including nonproliferation. We are working with the government of Japan to enhance G8 accountability for follow-through on past commitments on Africa, health, anticorruption, and other areas. Japan will also host, on July 9, a Major Economies Leaders' meeting to discuss energy security and climate change.

Thank you very much. I look forward to your questions.

Mr. FALEOMAVEGA. Thank you, Mr. Secretary. And I appreciate your comments. And without objection, your statement and any other related material that you wish to submit will be made part of the record. So we can do that. Just as a follow-up on a couple of the issues that you raised in your statement, I just wanted to get your sense of where we are now.

You had mentioned and I had indicated in my own statement for the first time ever in Japanese history we have a divided government, the fact that the current majority or the ruling party by Prime Minister Fukuda does not have the majority on the Senate side. And has this really caused some problems? Of course we have the same problem in our own Government, don't we? Even though the Democrats might have the majority of both the House and the Senate, there is still a divided Government. We have a Republican President. But I just wanted to raise that issue with you. Is this a real serious concern in terms of how they are going about in re-

solving their problems given the political differences they currently have, especially in the Diet?

Mr. ARVIZU. Mr. Chairman, it is a concern. Obviously it is a Japanese domestic political issue. It reflects the will of the voters. But from a standpoint of our policy coordination, it does introduce a wrinkle and it does reduce the government's room for maneuver. We have seen this manifested in a couple of instances. In just this past week, for example, the Upper House for the first time in history introduced a censure motion against the Prime Minister. It was quickly overridden by the Lower House, but I think it demonstrates to an extent some of the tensions that exist in the legislature.

When I think of examples where some of our policy initiatives have been hampered somewhat, I do think about the debates that took place toward the end of last year and it spilled over into the early part of this year regarding the Diet legislation that permits the Self Defense Forces to assist coalition forces in support of Operation Enduring Freedom. This was an issue that the opposition party took some exception to. Prime Minister Fukuda and the ruling party pledged their full support for it, and ultimately they were able to secure passage of some legislation that enabled the Japanese Self Defense Forces to continue with this very important mission. But I think this is one example of how a divided legislature has produced some challenges to our policy.

Mr. FALCOMA. It seems to me having divided government also indicates the maturity of the Japanese Government to go through this process of deliberation and debating, expressing different points of view on national issues that affect the country as a whole, which raises another issue, always this nagging issue. I think it is in Article IX of the Japanese Constitution that they are not to establish a buildup of its military. How serious are we really in looking at this Article IX provision, the fact that Japan probably now is either the second or the third highest budgeting of its military in the world? So where does it say you can't have military buildup and then on the other hand it is now ranked second or third or the highest for budget funding of a defense force. You call it a defense force, but the fact is you are building a military. How do you reconcile this prohibition from the constitution and yet the budget that the Japanese Government allocates for its military is in the top five of the world?

Mr. ARVIZU. Mr. Chairman, a couple of points if I may. First of all, I couldn't agree more with your assessment that this is really democracy at work and it is a success that people everywhere should applaud, even with a divided legislature like that. I should note that it doesn't seem all that long ago when you looked at the spectrum of Japanese political parties you had a pretty active Japan Socialist Party, a Democratic Socialist Party as well as a Japanese Communist Party. The Communist Party still exists in name, but ideology for all intents and purposes has disappeared from the mainstream Japanese political landscape. So I think this is a very positive development indeed.

With respect to defense spending, traditionally Japanese defense spending has been kept at about 1 percent of GNP. In recent years,

we have noticed a decline even in that percentage, which I think does hamper Japan's ability to modernize its forces.

That being said, since it does have the second largest economy in the world in absolute terms, the amount of spending that Japan can commit to its defense forces is considerable, and they are one of our major customers for defense articles. But given the changing nature of threats around the world, the fact that the Asia-Pacific region still requires a certain amount of vigilance, we would very much like to see Japan consider measures to try to restore some of its defense spending and look to increases as well.

For example, in the area of host nation support, it is very generous by any standard. But we make a substantial contribution to peace and security in the region as well as to Japan's security. I am happy to report that we do have a set cooperative forum in which we discuss those kinds of issues. The current Special Measures Agreement is due to expire in 2 years. We basically had a 3-year rollover agreement. But we intend very soon to engage in some serious discussions with the Japanese about a comprehensive relook at host nation support as well as overall defense spending.

Mr. FALCOMA. Ironically, our national defense budget, as you are very well aware, Mr. Secretary, is now over \$500 billion, probably the highest in the world, in my humble opinion. At the same time, we are also I think the biggest seller of military arms in the world, probably in the \$30 billion worth. I just wanted to share this basic statistic to you to the effect that we seem to be putting so much emphasis on military enforcement process, but very little in doing other things that might be more helpful to humanity if you will.

The 1960 security agreement between Japan and the United States, is this similar to the Taiwan Relations Act that we have with Taiwan? And if Taiwan is to be attacked that we are to come forward and protect Taiwan from its enemies. Is this the same essence of this 1960 security act that we have with Japan? I can't help but observe the fact that I am very, very impressed that a country that has only 150 million people and yet the second most powerful economy in the world, and you have to give the Japanese people and the leaders credit for that, their industry and their ability to be in this position economically. But I wanted to raise this issue with you. Essentially does this 1960 security agreement have about the same sense of our cooperation or partnership? If Japan's security is at risk, are we to come forward to protect Japan based on provisions of the 1960 security agreement?

Mr. ARVIZU. Mr. Chairman, I have to confess I am not familiar enough with the Taiwan Relations Act to really compare the two. But with respect to the Treaty of Mutual Security and Cooperation of 1960, clearly it establishes the basis for the Japanese economic miracle, the 1960s and 1970s. I think you could argue it contributed immensely to South Korea's highly successful developmental efforts and just general peace and prosperity in the Asia-Pacific region.

It has evolved over time. At the time, I remember—as I alluded to in my statement—it was a very different era. It really was a very tense point in the Cold War. In fact, although we highlight the signing of the security treaty, at the time President Eisenhower

was scheduled to visit Tokyo and he was prevented from doing so because there were so many large protests in the streets of Tokyo.

So it was very controversial at the time 50 years ago. But over time, it has come to be a widely accepted. In the 1970s, when student activism was a very popular phenomenon in Japan, as it was in the United States, there were large scale demonstrations even then against the United States-Japan security treaty. But it has come to be widely accepted by the population of Japan, as reflected in current polling. So that partnership has really been enshrined in the collective consciousness of both Americans and Japanese, I think, to the benefit of everyone in the region.

Mr. FALEOMAVAEGA. The world has changed from World War II, a Cold War, and now the current situation. And I wanted to share with you an observation, and I certainly would welcome your comment. Is there any concern that some circles in Japan might turn nuclear to the extent that if Japan's national security is at risk? If there are conditions where the United States may not even be willing to help defend Japan, do you think that the Japanese people or the government should be entitled to their privilege of building a program to also have nuclear weapons like the five permanent members of the Security Council as well as Pakistan, as well as India, potentially Iran now and whatever that we are trying to do with the Six-Party Talks in North Korea?

The fact that the sheer presence of some 30,000 nuclear bombs in existence right now in the world today, should this be a natural reason why India had to build a nuclear bomb because they are right next to China and Pakistan felt that they had to build a nuclear bomb because they are right next to India? This is the craziness of this whole thing about nonproliferation. So here is Japan, the second most powerful economy in the world, having no nuclear weapons, yet sitting right next to—would you feel comfortable the fact that China has the bomb and you don't?

Mr. ARVIZU. Mr. Chairman, certainly in Japan there are—it being an open society, there are ongoing debates about whether there should be a shift in the way the security and the defense of Japan is approached. Occasionally there are discussions about revising Article IX, which renounces war as a sovereign instrument—

Mr. FALEOMAVAEGA. Let me ask you this. What percentage of Japan is nuclear, electrical system is powered by nuclear energy? I would say about 70 percent just like France is right now. And don't they have the capability or the capacity with that nuclear presence already there—wouldn't you say that Japan can easily become a nuclear power tomorrow if it wanted to?

Mr. ARVIZU. Mr. Chairman, I would have to check on the percentage. It is a fairly substantial percentage. But I would be happy to look into that for you.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

According to the 2008 data from Japan's Agency for Natural Resources and Energy, 30.5% of Japan's electrical system is currently powered by nuclear energy.

Mr. ARVIZU. Certainly Japan has some of the leading scientists and technical experts in the world, but I think the key is that Japan has felt basically since the end of the Second World War that the defense relationship and the security treaty with the United States is the protection that it needs. That has certainly been our position and it is the position of the Japanese Government that our security alliance is rock solid, and I think it really has withstood the test of time and withstood changed circumstances.

In my view, it is stronger now than it has ever been and I would like to think in 50 years from now it is going to be even stronger. It doesn't mean that there aren't occasional voices in Japan calling for a revision of Article IX or talking about doing something about the nuclear reality. But those always tend to be very minority voices in Japan. I think there is a broad recognition that Japan's best interests are served by maintaining this strong alliance with the United States, and that has certainly been the view of various administrations in Washington.

Mr. FALEOMAVAEGA. Our country is considered the superpower, the only superpower in existence in the world today. Well, let me share with you an observation. My President goes to Saudi Arabia—to me it was personally as an embarrassment—to ask Saudi Arabia to please do something about the high price of gas we are having here, to put in more fuel to help meet our demands for consumption of fuel and gas. We didn't get anything. And there has been some concern to the effect that we don't have the leverage that we did before with the Arab countries in dealing with the oil because why? Because the demand from Asia is getting more and more even as compared to the demands coming from our own country. And you can just put India and China there as two classic examples where they are friends in the Middle East. They say, Oh, we have a better market in Asia, why should we care about the United States? Do you think that perhaps we are somewhat titling a little bit and not being as powerful as we think we were or we are? Just on the issue of oil alone, we don't seem to have much leverage out there.

Mr. ARVIZU. Mr. Chairman, one good thing about—

Mr. FALEOMAVAEGA. And Japan, by the way, is one of the biggest—it is a totally—it has to depend on importing its fuel and there is a classic example right there where if it is in Japan's national interest to do something that might not necessarily meet our expectations, what will we do then?

Mr. ARVIZU. Japan is certainly an example of a country that is almost entirely dependent on foreign sources for its energy needs, and for that reason I think Japan has demonstrated over the years that it has really been a leader in looking for technological improvements to come up with better ways to address fuel needs, to combat environmental pollution, et cetera.

I remember in the 1960s, when Japanese economic growth was really the talk of the town and the people were excited about the Tokyo Olympics. But whenever there was a panoramic shot of Tokyo and all the skyscrapers, you could just see the smog in the background, and the Japanese realized at the time this was something that was not going to be sustainable over time. So they de-

voted a tremendous amount of resources to coming up with technology that would address energy needs and reduce pollution so that Japan is really an acknowledged world leader in that regard today. And I am happy to say that the United States and Japan are collaborating very closely together with some of the other countries on trying to figure out ways to come up with more environmentally friendly energy sources and methods.

You alluded to the demand in some of the emerging economies like China and India. The fact that Japan is going to be hosting the Major Economies Meeting as well as the G-8 Summit in less than a month's time is going to be an opportunity for us to ramp up our collaboration. It is very important that all these important emitters get together and be serious about trying to address some of these very serious challenges.

Mr. FALEOMAVAEGA. The aircraft carrier *USS George Washington*, that is a nuclear power carrier?

Mr. ARVIZU. Yes, it is.

Mr. FALEOMAVAEGA. I am curious about this because I thought Japan was one of the few countries that will not allow any nuclear—our policy is neither confirm nor deny the presence of nuclear weapons or even powered by nuclear energy. And Japan is allowing this nuclear aircraft carrier to come to its shores?

Mr. ARVIZU. Japanese legislation does prohibit the introduction of nuclear weapons into Japanese territory. I think this is a prime example of how our security relationship has grown and developed over time. I think it is difficult to conceive of something like this having happened in the 1970s or the 1980s. But the fact that Japan is willing to accept our assurances about nuclear safety, that it recognizes the importance of the U.S. 7th Fleet to the defense of Japan as well as security in the region, that following the result of a lot of consultations and very close coordination, that the Japanese have interposed no objection to this.

Mr. FALEOMAVAEGA. Over the years, I have always been bragging to our friends in Asia and the Pacific region about how fool-proof and tight our security efforts to make sure that nuclear weapons always be very, very not only well guarded, but make sure there are absolutely no accidents of any form, and now we just had the Secretary of the Air Force and the Chief of Staff of the Air Force being fired by the Defense Secretary because there was a mess—a mixup or whatever it did to the transportation of nuclear things.

Now, if it happens once, can you imagine it may happen again? Now I cannot tell my friends it is not as guaranteed as I thought it would be, that we have become careless. And in the transport of nuclear weapons and wherever we take it, whether it be by ship or by plane, do you think that this has caused some very serious concerns not only our capability in transporting nuclear weapons, but even the way we have been handling this? Do you agree with Secretary Gates in what we did recently with firing the Secretary of the Air Force and the Chief of Staff of the Air Force for the bungling of how we have conducted operations and taken care of these nuclear weapons?

Mr. ARVIZU. Mr. Chairman, my sense is that in places like Japan, when they see something like this, while there may be questions about the safety, as you pointed out, the fact that people

were held accountable in a very public and very swift manner is probably what resonates and what really sticks in people's minds is my impression.

Mr. FALCOMVAEGA. You mentioned beef imports. As you know, the whole country of Korea, the President of Korea might even lose his position as President the way that all the demonstrations and the hundreds and thousands of people, all over beef imports coming from the United States. What is interesting to note is that Japan probably has the highest standard in the world as far as beef imports are concerned. Japan will not allow a cow, if we call it cow or beef, that is 20 months old ever to be imported to the country. And this has been one of the sore issues in our relationship with our cattle ranchers and our exporters of beef to Japan because that is their standard. Because if a cow is less than 20 months—older than 20 months, they won't take it. Is that a good standard? Do you think maybe we should—you know, they have sashimi, they sashimi the beef in Japan. I haven't tried it yet, but I am going to make a very serious attempt in eating sashimi beef. But why do you suppose it is just the nature of their demand if a cow is over 20 months old they won't accept it? Do you think that is a fair proposition?

Mr. ARVIZU. No, I don't. It is not a fair proposition, Mr. Chairman. And I agree with you. It is a sore subject in our relations. It is one area where we disagree. And it comes up in virtually every high level meeting that I have been associated with because the bottom line is that we feel that American beef is safe, it is safe enough for American men, women and children, and we feel like it meets with the OIE international standards. There is a certain term, it is called a controlled risk, and the United States beef falls in that controlled risk category. There is a basis in science. We feel that that is the standard that ought to be applied. And we have made this point very clear. So it is the subject of some ongoing discussions with the Japanese.

Mr. FALCOMVAEGA. But it isn't just toward the United States. This is toward any country that wants to export beef to Japan. If it is older than 20 months, they won't accept it. So apparently other countries are complying with that requirement. Of course they have to. But you don't think the current requirement is fair?

Mr. ARVIZU. I don't believe it is fair, sir. And prior to the imposition of these restrictions, Japan was our largest overseas market for beef. It has been reduced considerably as a result of these restrictions, and we just hope that they will be modified as soon as possible.

Mr. FALCOMVAEGA. As you know, in 2003, we found the mad cow and this mad cow disease that was discovered was not even a United States cow. It was a cow from Canada. And immediately the Korean Government put a restriction on any more beef imports coming from the United States. Was there ever any mad cow disease or anything affecting this concern that the Japanese had very much like the Koreans did in 2003?

Mr. ARVIZU. I am not aware that there was, sir, no.

Mr. FALCOMVAEGA. So whether it was—the mad cow disease had nothing to do with the restrictions?

Mr. ARVIZU. Well, I believe it was this concern, but it was not based on any United States export of a beef product in Japan that precipitated this. I believe this was a more generalized concern, but one which we feel is adequately addressed by the fact that the OIE certifies U.S. beef in the controlled risk category.

Mr. FALEOMAVAEGA. There is also the concern here that Japan has always advocated very strongly that they do not want North Korea to be removed from the list of state sponsors of terrorism. Is that position still in place or are we still having—or has that been somewhat resolved as part of the Six-Party Talks that we are having with North Korea right now?

Mr. ARVIZU. Mr. Chairman, that is another subject that comes up very frequently and very consistently in our discussions with the Japanese. I should note at the outset that we collaborated very, very closely with the Japanese in all aspects of our North Korea policy. With respect to the possible removal of North Korea from the state sponsors of terrorism list, as well as the designation of North Korea under the Trading With the Enemy Act, we have always made it very clear to the North Koreans our strong belief that Japanese concerns about the abductions that we feel them very strongly, we think they are very legitimate and they need to be addressed.

Just this past week, there have been some discussions between Japanese and North Korean representatives in an Asian capital about this very subject. This follows a long hiatus where the North Koreans basically refused to meet with the Japanese, but I am happy to report that these discussions are underway. We hope that they will be productive and lead to a situation where North Korea is going to be more responsive to the Japanese concerns about the abductions.

Mr. FALEOMAVAEGA. Can you submit a list and a chronology of the total number of Japanese citizens who have been abducted by the Korean agents or officials or whatever has been—for whatever period of time this has been going on? I think that would really be helpful also to kind of give us a sense of history, where are we now. Do you have any idea how many total abductees have been affected by this conduct on the part of the North Korean Government. I would be curious to find out.

Mr. ARVIZU. First of all, Mr. Chairman, I will get that information for you, at least as it is known to us. We have had people look into that question over time and the Japanese Government and Japanese NGOs have also provided some information to us. So I will certainly get that to you. With respect to numbers, they do tend to vary. I think more credible reports are in the several dozen category. There have been some reports of substantially higher figures, but I believe it is in the several dozen category. But again, I will get some more accurate information and deliver to the committee, sir.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

According to the Japanese government, 17 Japanese citizens have been abducted by North Korea. In 2002, five of those 17 abductees were returned to Japan. Japan seeks a full accounting of the remaining 12 abductees.

However, North Korea admits to abducting only 13 Japanese citizens in total. North Korea provided explanations for the deaths of eight of those abductees, and with the return of the five abductees in 2002, North Korea has in the past claimed to have accounted for all 13 of these abductees. In the most recent talks between North Korea and Japan in June, North Korea has not said that the issue is resolved fully, thus keeping the issue open to be addressed by the interested parties.

Some Japanese NGOs estimate that as many as 470 Japanese citizens may have been abducted by North Korea, but these claims have not been substantiated by the Japanese government. The United States accepts the Japanese government's accounting of 17 abductees and continues to press North Korea to address Japan's concerns over this issue. We also encourage Japan and North Korea to discuss this issue and other issues of concern in the Japan-DPRK bilateral working group established within the framework of the Six-Party Talks.

For your use, we have attached a copy of the Japanese Ministry of Foreign Affairs list of abductees and their current status.

**Status of the 17 Japanese the GOJ
regards Abducted by the DPRK**

(Source: Japanese MOFA Pamphlet)

<u>Name</u>	<u>Date Abducted</u>	<u>DPRK Explanation</u>
Category I. <u>Returned to Japan: 5</u>		
1) Yasushi Chimura	July 7, 1978	Returned Oct. 2002
2) Fukie Chimura	July 7, 1978	Returned Oct. 2002
3) Kaoru Hasuike	July 31, 1978	Returned Oct. 2002
4) Yukiko Hasuike	July 31, 1978	Returned Oct. 2002
5) Hitomi Soga	Aug. 12, 1978	Returned Oct. 2002 (Wife of Army deserter Sgt. Charles Jenkins) (Abducted with her mother #9 Miyoshi Soga.)
Category II. <u>North Korea denies entered DPRK: 4</u>		
6) Yutaka Kume	Sept. 19, 1977	Denies entered DPRK
7) Kyoko Matsumoto	Oct. 21, 1977	Denies entered DPRK. (Most recent addition - Nov. 2006.)
8) Minoru Tanaka	June 1978	Denies entered DPRK
9) Miyoshi Soga	August 12, 1978	Denies entered DPRK (Abducted with her daughter #5 Hitomi Soga, (Embassy Tokyo note: H. Soga says mother was taken at

the same time, but
disappeared. Probably
thrown overboard.)

Category III. Pyongyang Claims died in captivity in North
Korea: 8

- | | | |
|----------------------|-----------------|---|
| 10) Megumi Yokota | Nov. 15, 1977 | Committed suicide
in April 1994.
(Mother and brother
met President
Bush in 2006.) |
| 11) Yaeko Taguchi | June 1978 | Died in traffic
accident in 1986.
(Married to #16 Mr.
Hara in 1984.) |
| 12) Shuichi Ichikawa | August 12, 1978 | Died of heart
attack swimming
at sea in Sept.
1979. (Abducted
with #13 Ms.
Masumoto. Ichikawa
and Masumoto
married in DPRK in
July 1979.) |
| 13) Rumiko Masumoto | August 12, 1978 | Died of heart
attack in 1981.
(Abducted with #12
Mr. Ichikawa.
Ichikawa and
Masumoto married in
DPRK in July 1979.) |
| 14) Toru Ishioka | May 1980 | Died in same "gas
poisoning" accident
as #17 Mr.
Arimoto in Nov.
1988. (Abducted
with #15 Mr.
Matsuki.) |

- | | | |
|-------------------|-----------|--|
| 15) Kaoru Matsuki | May 1980 | Died in traffic accident in Aug. 1996. (Abducted with #14 Mr. Ishioka.) |
| 16) Tadaaki Hara | June 1980 | Died of "hepatic cirrhosis" in 1986. (Married to #10 Ms. Taguchi in 1984.) |
| 17) Keiko Arimoto | July 1983 | Died in "gas poisoning" accident (with #14 Mr. Ishioka) in Nov. 1988. |

Mr. FALEOMAVAEGA. I was very curious that when I was just kind of browsing through the media, our national media, in comparison to my—then looking at the international media on how the issue was covered where President Jintao of China visited Japan. There was hardly anything as far as the Western media was concerned. It seemed like there was no concern or any interest. But through the Asian media and other regions of the world, there was tremendous coverage.

Why do you suppose we don't seem to take much credence and think that the most populous nation in the world, the second most powerful economic power in the world meeting together should be greeted with some sense of giving the American people more education about what is happening around the world? Why are we treating—to me it is a historical event. The last 10 years, I believe, the first time that the national leader of China is finally meeting Japan, given the historical problems that they have had from World War II and the fact that they are trying to—I don't know what you call—reconcile their differences, I suppose. But is there any concern on our part to see whether there is anything wrong with China and Japan having a good working relationship? That is my hope. What is your sentiment on that?

Mr. ARVIZU. Mr. Chairman, I think the simple answer as to why there wasn't more coverage here in the United States is because it was a positive story. It was a good news story. If it were a bad one, I think there would have been more coverage. But I humbly suggest, sir, you are absolutely correct. This was a very, very positive development. As you mentioned, it came after—10 years after then President Jiang Zemin went to Japan, which unfortunately was not all smiles and handshakes. That didn't end—that didn't turn out so well and it led to unfortunately a bit of tension in the Japanese-Chinese relationship. Our position has always been that when Japan is at peace with its neighbors and enjoys warm and productive and constructive relations, that that is good for everyone. It is good for Japan, it is good for the United States, it is good for the countries in the region. And the fact that South Korean President

Lee chose to stop in Tokyo where he had a very successful summit with Prime Minister Fukuda on his way back to Korea from Camp David—this was in May—that was a very positive development. The fact that President Hu Jintao, as you mentioned, also had a very successful summit. These are very, very positive developments and I think they augur well for our policy in the region as well as that with the other countries.

Mr. FALCOMA. Something also happened on a regional basis. Our media here in the United States hardly covered this, what I thought was very historical. The President of Russia visited Germany and he gave what I thought was a very, very profound statement in terms of how Russia views the world. And one of the issues that he raised, why do you continue to fund NATO? NATO is a relic of the Cold War, NATO is—why do we continue to look at NATO as another arm to—as our presence in Afghanistan demonstrates. But what the President of Russia was simply saying, if you want a peacekeeping force, shouldn't that be done through a forum like the United Nations? Why should NATO be involved in the process? And I suppose the same issue could be raised in the Asia-Pacific region. The ASEAN countries, the East Asia summit that is now before—without our participation by the way—does there seem to be some concern that—and in some instances in the Asian region we are invited and in others we are not welcome. Why do you suppose that we are not part of the East Asia summit that is composed of most of the Asian countries? There seems to be some concern that maybe we are not part of the team or something? Can you care to comment on that?

Mr. ARVIZU. Mr. Chairman, one challenge when it comes to what we loosely term regional architecture in the Asia-Pacific region is the proliferation of alphabet soup organizations. Most Americans know what NATO is or at least they can give you a rough stab as to what it means or the EU. But if you were to mention APEC or the ASEAN Regional Forum, these would draw blank stares from even—

Mr. FALCOMA. From the State Department even?

Mr. ARVIZU. I would like to think my colleagues, although I am not sure about all of them, but I think that underscores one of the challenges that we face, is trying to come up with some type of framework, some type of architecture. Because we are an Asia-Pacific country. We are a Pacific rim country. We have got major interests, whether it be cultural, commercial, economic, educational exchange, you name it. And so it is a little bit frustrating for us sometimes in trying to demonstrate to our Pacific and Asian colleagues that indeed we are engaged.

Part of it is really the tyranny of geography, because for all the advances in technology a plane ride to Asia still takes the better part of a day. And I think that really hinders some of our efforts, the fact that when it comes to Asia, I think that—although they welcome our engagement at senior working levels, for them the real proof in the pudding is when a President of the United States, a Secretary of State of the United States will go and make an appearance at—

Mr. FALCOMA. The real proof of the pudding, Mr. Secretary, is can we be trusted. I might also add in making this obser-

vation, for every one 747 that flies between the Atlantic and our country, four 747s fly between the Asia-Pacific region and the United States. And if that doesn't give you an indication about the vitality and how important economically the Asia-Pacific region has become, and I sincerely hope it will continue to be that way. Because 20 years ago, nobody wanted to talk about Asia-Pacific issues. I know this because I was here. The whole mentality was Europe and the Middle East. It has only been in the last 3 or 4 years that we are now seriously looking at the viability and the importance economically, security, just about every way, especially when almost two-thirds of the world's population reside in the Asia-Pacific region, although 15 million Asian-Pacific Americans like myself, very proud to be coming as an American, but we need to really tie the bonds a little better and a little closer so that the good people in the countries that make up the Asia-Pacific region will know that we can be a trusted partner and do things somewhat in a different fashion, I suppose.

And I am very, very happy and honored that my good friend, the ranking member of our subcommittee, the gentleman from Illinois, Mr. Manzullo, is here. If he has a statement, and of course he will have questions that he may want to present to you as well.

Mr. Manzullo.

Mr. MANZULLO. I want to thank the chairman for calling this hearing. The United States-Japanese alliance has been a bedrock of America's engagement in East Asia and remains as important today as it was during the height of the Cold War. We face a radically changing Asia, full of new challenges and opportunities, and we must ensure the alliance remains relevant and robust. I want to take this opportunity to recognize the important contributions that the people of Japan have made to support America's actions in Afghanistan and in Iraq. No one talks about this. Did you notice that, sir? The Japanese Navy is actively supporting our brave men and women in Afghanistan by providing critical refueling support in the Persian Gulf. Japan has canceled almost \$7.5 billion in outstanding debts that Iraq owes, and Japan continues to offer billions of dollars worth of development aid to help the people of Iraq, and Americans really cannot take for granted the contributions made by our Japanese friends, given the restrictions that the constitution places on the military.

On the economic front, the United States enjoys a largely positive economic relationship with Japan, with the exception of the beef issue, which is shared with Korea. I am a beef producer myself and I never realized that we are sort of responsible for starting these riots for wanting to sell beef overseas. However, the Japanese continue to enjoy American pork, and we appreciate their appetite on that.

In the northern Illinois district that I am proud to represent, we have a considerable number of American jobs that are directly related to Japanese foreign investment. Nissan Forklift has its north American headquarters in Marengo, Illinois. Mitsubishi has a subsidiary in Rockford that makes rice and sesame crackers. It is the only rice cracker facility in the United States. And two gentlemen from Rockford, Illinois, started it, two Americans. And they realized that if you want to make rice crackers that you would have

to have a Japanese partner. And so they ended up bringing in Mitsubishi to help them keep up the quality and to run that factory.

We also have a fastener facility that is a result of direct foreign investment from Japan. And a crystal factory. The Japanese like our dirt in Belvedere, Illinois and use that to make crystals.

With regard to beef, we obviously strongly urge the Government of Japan to do its utmost to resolve this issue as soon as possible. I never realized that South Korea took its beef as seriously as we saw the tens of thousands of people that were out protesting the fact that Korea again decided to import American beef. That is about a \$900 million a year market.

I thought this is significant. It takes a lot to get Americans excited about something. But it didn't take too much to get the Koreans excited about the American beef, which goes to show that in America we are unfortunately going from an Information Age to an Entertainment Age, that our Asian allies and the people within those countries really pay a lot of attention to the news and follow American politics very, very closely.

I am worried that the broader United States-Japan relationship is experiencing a sustained period of neglect as a result of the shifting political forces in Asia. The rise of China in particular is causing some policymakers to reexamine the long-term viability of America's alliance with Japan. That is of concern that people would question the integrity of the strength of this relationship, even in the Six-Party Talks process.

The decline of this once close relationship is evident where Japan is no longer participating as a full fledged partner because of lack of progress on abduction issues. That should be treated separately because you can't combine all the issues together, Mr. Chairman, and deny a great power like Japan the ability to continue to be involved in something as important as getting rid of a nuclear country.

The United States-Japan alliance is a relationship that was built over time and is absolutely critical to U.S. national interests. As current and future administrations consider America's role in Asia, it is important to remember that Japan's partnership is vital to our success.

I had the opportunity just a couple of years ago to visit Japan. I spent about a week there and flew into Nagoya and toured the Mitsubishi rocket facility and Toyota facilities there and also visited with the numerous software manufacturers in Japan and took the high-speed bullet train from Nagoya to Tokyo, and I actually sat in the engine room. Now I know where the high-speed toys come from.

I want to thank you for coming before the hearing.

[The prepared statement of Mr. Manzullo follows:]

PREPARED STATEMENT OF THE HONORABLE DONALD A. MANZULLO, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman, thank you for calling this important hearing on America's relationship with Japan. The U.S.-Japan alliance, which has been the bedrock of America's engagement in East Asia, remains as important today as it was during the height of the Cold War. Now, as we face a radically changing Asia full of new challenges and opportunities we must ensure that this alliance remains relevant and robust.

I want to take this opportunity to recognize the important contributions that the people of Japan have made to support America's actions in Afghanistan and in Iraq. For example, the Japanese navy is actively supporting our brave men and women in Afghanistan by providing critical refueling support in the Persian Gulf. With regard to Iraq, Japan has taken steps to cancel almost all of the \$7.5 billion outstanding debt that Iraq owes, and Japan continues to offer billions of dollars worth of development aid to help the people of Iraq. Americans must never take for granted the contributions made by our Japanese friends given the restrictions their constitution places on its military.

On the economic front the U.S. enjoys a largely positive economic relationship with Japan, with exception of the beef issue. In the northern Illinois congressional district that I am proud to represent, foreign direct investment by Japanese firms is responsible for a considerable number of American jobs. For example, Nissan Forklift has its North American headquarters in Marengo, Illinois. Mitsubishi has a subsidiary in Rockford that makes rice and sesame crackers. This firm, called T.H. Foods, is the only producer of such crackers in the entire country. In fact Japan's overall investment in the U.S. is responsible for over 600,000 jobs.

With regard to beef, I strongly urge the Government of Japan to do its utmost to resolve this issue as soon as possible. Indeed, we have come a long way since the trade frictions of the 1980s to where we are today. Thus, I remain hopeful that a workable compromise can be achieved so that we can put all our disagreements on trade behind us. I look forward to the day American beef will be sold again in Japanese stores and restaurants.

Mr. Chairman, I am worried that the broader U.S.-Japan relationship is experiencing a sustained period of benign neglect as a result of the shifting geopolitical forces in Asia. The rise of China, in particular, is causing some policymakers to re-examine the long-term viability of America's alliance with Japan. Even in the Six Party Talks process, the decline of this once close relationship is evident where Japan is no longer participating as a full fledge partner because of a lack of progress on abduction issues. Finally, realignment of U.S. forces in Asia is another issue that is causing discomfort between our two countries.

The U.S.-Japan alliance is a relationship that was built over time and is critical to U.S. national interest. As current and future Administrations consider America's role in Asia, it is important to remember that Japan's partnership is vital to our success. That is why I am pleased that you have called this hearing today, Mr. Chairman, to highlight the importance of our relationship with Japan. I look forward to the testimony of our distinguished guest.

Mr. FALEOMAVAEGA. Does the gentleman yield?

Mr. MANZULLO. Of course. I will just yield back to you.

Mr. FALEOMAVAEGA. I just want to say that not only do I have a great affinity and love for the people of Japan, is because one of my cousins was a sumo wrestler in Japan; and he wrestled by the name of Konishiki. Even though he attained the name of being Ozeki, he never made Yokozuna. But even to this day, after retirement from Sumo, he is still a very popular figure among Japanese people because he is a happy-go-lucky guy.

I have a great admiration and respect for this ancient sport among the Japanese people, which is Sumo. Now the Mongolians are taking over, and somehow they never bother recruiting Polynesian Sumo wrestlers anymore. I don't know why. Maybe I will have to set up a different camp and help them along.

I gladly yield to the gentleman.

Mr. MANZULLO. We had the great opportunity to have Ambassador Kato come out to Rockford, Illinois, and visit Anderson's Japanese Gardens, which is probably bigger than any Japanese garden in Japan. We also found out that the Ambassador was really interested in baseball. Little did I realize that he would leave diplomatic life and go into one of even more diplomacy as the commissioner of baseball in Japan. But I think that says a lot about Japanese diplomacy. Let him get in there and straighten out the warring factions among the teams. That should be interesting.

Mr. FALEOMAVAEGA. I might add also to the gentleman's concern about the beef imports. Japan—in following the crisis now in Korea over the beef imports of our country, Koreans eat not just the beef but other parts of the cow. Just like in the United States, we eat not only the pork but other parts of the pig. I hate to say it. How can I say it? Pig, the intestines and other parts.

Well, the Koreans also have a very unique way of preparing certain organs or parts of a cow that they consume, and the problem that the Koreans had was the fact that we are allowing cows over 30 months old to be exported to Korea. And as far as they are concerned, it gives the impression that they are getting less quality type beef than you would if you compared to the Japanese who demand that a fat cow older than 20 months, they won't take it. And this is the reason why we have a problem with the Japanese, is because they will not allow any imports of beef that is older than 20 months. And maybe it is because they have different tastes but certainly a very high standard.

I think Japan is the only country in the world that will only allow beef imports that is not older than 20 months, and this is probably the reason why we continue to have this problem in having our beef exported to Japan, because that is how they consume beef.

Now I don't know if in their own production of beef that they allow cattle or beef that is older than 30 months to be consumed locally, but this was the problems the Koreans had with our beef. They got the impression that, by us exporting beef older than 30 months, it sounds like they are getting beef that is of less quality; and I sincerely hope that President Lee will be able to address this situation and find a remedy to lessen the tension in the problems that we are faced with now as far as the beef imports.

But in your opinion, Mr. Secretary, there seemingly is no resolution to the beef import issue with Japan at this point in time? I mean, is there a restriction that even our cattle or beef that is younger than 20 months—can they be exported to Japan?

Mr. ARVIZU. Mr. Chairman, Japan does restrict any imports of beef that have bone in or other what they term "specified risk materials" that in some cases have been shown to pose a greater risk.

But, as you indicated, we intend to press forward with this. It is an important bilateral agenda item for us. We think that the science of animal safety will speak to the fact that American beef is safe for export, and we would like to let the consumers and the market decide.

Mr. FALEOMAVAEGA. Do I take it that other countries also export beef to Japan?

Mr. ARVIZU. I believe there are others, Australia and Argentina, although, if you would like, I would be happy to get—

Mr. FALEOMAVAEGA. Could you submit that for the record? I would be very curious to see what happens.

Mr. ARVIZU. Yes, I will.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

Yes. In 2007, according to the Ministry of Agriculture, Forestry, and Fishes, 81.4% of total beef import sales came from Australia; 9.1% from the U.S.; 1.7% from Mex-

ico; 0.9% from Canada; and 0.3% from others. In 2003, prior to the ban on our beef, U.S. beef took up 52% of the beef import market and Australian beef, 44%.

Mr. FALEOMAVAEGA. Post-Kyoto protocols, I commend Japan for its initiative in taking a very high effort to emission standards, greenhouse emission standards. They are hoping to get a better sense of that. How does that compare to what our country is trying to do to address the issues of climate change and global warming?

Mr. ARVIZU. Mr. Chairman, I believe that we are very much in sync when it comes to the importance of climate change. When Prime Minister Fukuda visited Washington last November, he and the President met; and they issued a joint statement, if you will, titled U.S.-Japan Cooperation on Energy Security, Clean Development, and Climate Change.

Basically, the two leaders pledged that Japan and the United States would work together to come up with an appropriate post-2012 framework that is consistent with the Bali roadmap, U.N. Framework Convention on Climate Change.

Mr. FALEOMAVAEGA. Mr. Secretary, I was at Bali—

Mr. ARVIZU. Yes, sir.

Mr. FALEOMAVAEGA [continuing]. And let me tell you it was an embarrassing situation for the United States. And I say this because when I was at the Bali conference, Australia, as you all know, that was the first thing the Prime Minister of Australia did was to say, well, sign the Kyoto Protocol. So we were all gathered in Bali, and we all gave a standing ovation to Australia signing the protocol right there. And there we were, the only country remaining who has not signed the Kyoto Protocol.

Are you suggesting now that after 7 years of nonparticipation in the Kyoto Protocol that we are now on board?

Mr. ARVIZU. Mr. Chairman, I think we realize that in order for us to be able to move ahead we are going to have to do it in concert with other countries.

One of the key sticking points, as I understand it, and I am not by any means an authority in this field, is it has been our view that all of the major economies, including the very large developing economies, need to be an integral part of the solution.

Mr. FALEOMAVAEGA. Well, this has been the complaint of many of the country representatives that I have met. Without U.S. participation, this whole exercise is worthless. And if we decide not to participate, it kind of puts a vacuum on the situation.

Now when we come back to the fold, and China and other countries who have been struggling, working through the system, defining and redefining the system, and then they turn around and say, where have you been? This is where we find ourselves after our not having anything to do with the Kyoto Protocol. It is almost like a Johnny come lately. And now am I hearing that now, finally, the administration definitely has concerns about climate change and global warming, greenhouse emissions and the like?

Mr. ARVIZU. Mr. Chairman, as we look to the G-8 Summit and the Major Economies Meeting in Japan later in July, this really is going to be an important opportunity to move these two issues forward. It's an ideal opportunity.

I think people everywhere, number one, get it and understand that this is an opportunity that should not be lost. We have been

talking to the Japanese about this. They share this view that this is an opportunity that should not be missed. As to what actually happens, we just need to work hard in the lead up to these meetings.

Mr. FALEOMAVAEGA. Putting all these things together, Mr. Secretary, I know we have been going in and out and on and off, up and down and off and on. Can you share with the committee what you consider probably the two top-highest priorities that you honestly believe we ought to seriously look at in our relationship with Japan at this point in time?

Mr. ARVIZU. Well, Mr. Chairman, the relationship is so broad and so deep I think one of the things we have to guard against, both as an administration but also the legislature, Americans in general, is to take this relationship for granted. Because it is one that we have really developed so well over time. It is almost as if we can complete each other's sentences sometimes. We do run the risk of doing just what I said, which is taking each other for granted.

A lot of people certainly take note of the fact that China has emerged on the world stage. We see record numbers of American students studying Chinese. My younger colleagues in the Foreign Service, a lot of the most eager and brightest ones among them are eager to study Chinese and serve in China. That is fantastic. That is a positive thing.

But the relationship with Japan is very, very important; and for people like me who have spent a lot of time on Japan over the years, we try to explain that there is a qualitative difference in our relationship with China vis-à-vis our relationship with Japan. But sometimes it is tempting to look at foreign affairs articles and see how many times China is mentioned, as opposed to Japan being mentioned. But our partnership with Japan is something that is rock solid, but it is largely a good news story.

We have talked about some of the contentious issues in our relationship. As with any complex relationship, there will be issues. But it is a very, very strong partnership.

So I am sorry to be so long-winded in answering your question, sir. I think the biggest challenge that we face is to find ways to reassure each other that our partnership is important, that, working together, we have the two largest economies, two of the best-educated societies, two of the best societies and peoples in the world. Countries where democracy and representative government is firmly imbued, and respect for human rights. That in working together there are so many things that we can do and we should be able to do. That is going to be the real challenge for us.

Mr. FALEOMAVAEGA. Thank you; and I am very, very happy and delighted to see that one of our colleagues has also joined us on the panel. My United Nations' partner, my good friend, Steve Chabot. Do you have any questions or do you have an opening statement, Steve?

Mr. CHABOT. No opening statement. Is it okay for questions at this time?

Mr. FALEOMAVAEGA. Please.

Mr. CHABOT. Thank you very much. I will be brief.

I happen to be one of the co-chairs of the Congressional Taiwan caucus, Mr. Secretary. As you know, there have been elections in Taiwan, a new party. They have a new President, a new party. And it is my understanding that Taiwanese officials have arrived today, I believe, in Beijing for talks and kind of feeling each other out on each side.

And, of course, Japan has played a key role in maintaining stability in the whole region and has worked with the United States in that effort and has worked both with China and especially with Taiwan.

The PRC, of course, has had a history of doing things, having a policy toward Taiwan. Considering it a breakaway problem is number one. There are—at last count I think it was a thousand or so missiles that are pointed across the Taiwan Straits at Taiwan in the PRC. The PRC has attempted and been fairly successful in keeping Taiwan out of important world groups like the World Health Organization and others.

And I would be interested to see, with your experience in the region and knowing how important the stability is, what you would expect from not necessarily just these talks but in the near-term and the long-term relations between China and Taiwan and what role will Japan continue to play in that.

Mr. ARVIZU. Thank you, Mr. Chabot.

I am not a China expert per se, but if I could try to answer or address your question by comparing or noting that this remarkable congruence—or symmetry maybe is a better term—when I think about United States policies toward China as well as Japanese policies toward China. I think there is a real convergence of views. That is, both Tokyo and Washington believe that China has a very important and constructive role to play and that it is incumbent upon us to use the strength, if you will, of our relationship to try to bring China out in a way that benefits everyone's interest.

Prior to your arrival, we were discussing very briefly the recent visit of Chinese President Hu Jintao to Tokyo. This was the first summit held in Tokyo for a Chinese leader in 10 years, and this was a very positive development. In fact, the chairman remarked that it received such little attention here in the United States as to cause people to wonder what that was all about. I think we arrived at the same conclusion, which is, because it was a good news story, it didn't receive that much attention.

But President Bush has indicated that he intends to visit China for the Olympics. We have a very broad agenda. In fact, I would say that our agenda with China is as broad as just about any other country, and it is one that is growing. Every time you turn around, there appears to be a new forum and a new dialogue. I am happy to report recently the restart of a human rights dialogue between the United States and China after a hiatus of many years.

So it's that broad and multifaceted engagement that I think characterizes our relationship with Beijing as well as Tokyo's relationship with Beijing that is very positive. At this particular juncture in time, I think the trends are very favorable; and it is incumbent upon us to try to sustain that and make it pay dividends in the future, sir.

Mr. CHABOT. Thank you.

I yield back, Mr. Chairman.

Mr. FALEOMAVAEGA. The gentleman from Illinois.

Mr. MANZULLO. Mr. Chairman, thank you.

The chairman and I are very close friends; however we differ on issues such as Kyoto. I can understand the reluctance of the administration to sign on to an agreement in which India and China are exempt. It simply does not make sense to put us into a financial industrial position of weakness. It is akin almost to the cap-and-trade system that the EU has adopted.

I was reading a story about a fastener facility in either Portugal or Spain which had spent an extraordinary amount of money to have the cleanest emissions, et cetera. But its neighbor Morocco was exempt; and a competing fastener facility in Morocco which produces the same thing—screws, nuts and bolts—sold them across the Straits into Spain. Thus, this company is either on the verge of going out of business or is already out of business because it was rendered less competitive than Morocco.

Mr. Secretary, does it make sense for the United States to sign an agreement to cut down pollution when the two of the largest polluters in the world would be exempt from it, India and China?

Mr. ARVIZU. Mr. Ranking Member, I think that gets to the heart of our approach to this climate change discussion and our entire environmental policy. I will confess that is not my area of expertise, by any means. But what you have outlined, and we can be very specific about the countries, China and India, they are emblematic. There are certainly others, but very significant economies that, although not at the same level of economic development as some others, very much need to be part of any solution in order for it to be meaningful.

And I think that is one area where, although we have had some differences with Japan in the past about how to effect that kind of incorporation, I think as more time passes I am seeing that our views are starting to converge more.

For example, there is something called the Asia-Pacific Partnership on Clean Development and Climate. It was criticized by some NGOs, as I recall, as being inadequate, but it involves the United States, Japan, China, India, Canada, Australia and the Republic of Korea. These are our major APEC economies. Just on the face of it very significant economic powerhouses, key emitters. I think this is the kind of framework that really we need to look at and to try to be positive and forward looking.

Mr. MANZULLO. You have these double standards. In the United States, in a document signed by the President, it has very strict emission standards for diesel fuel. That is one of the reasons why diesel is a lot more expensive due to the refinery process. Yet the diesel fuel that we make in our refineries exceeds the standards of those we export to other countries that don't have the same high standards. I mean, these things just don't make sense unless there is a worldwide adherence to the same type of particular standards.

Mr. Chairman.

Mr. FALEOMAVAEGA. Well, I just want to say I don't think there really is much difference in the gentleman's view as mine concerning the Kyoto Protocol issue. As I recall, 93 Senators voted

against approval of the Kyoto Protocol and for which I totally agree that it was an uneven handed way, the way the U.S.—

But what I did say as an expression of concern, we just simply took ourselves away from the table; and I think that is where I felt that it was wrong for our country to just simply say, forget it, we don't want to have anything to do with you. I think that is where I honestly believe was our mistake, was not to continue the dialog, continue the consultations, continue debating the issues with countries like China and India and all of this.

I may have mentioned it before in a previous hearing, but someone once said that if you are not at the table, you will be on the menu. In my humble opinion, we have been on the menu for the past 7 years of being criticized for not being an active partner and participating and saying, hey, there are some inequities in this Protocol. We should have been advocating the deficiencies and the problems in the Kyoto Protocol.

So now we say, okay, well, let's participate. The United Nations is also an integral part of this process. I believe, come 2009 of next year, that there should be a post-Kyoto Protocol foundation set up based on the Bali initial conference or the meetings that are now being conducted.

So I don't think we differ really from my friend from Illinois. I could not agree with him more that the Kyoto Protocol was very much anti-U.S. and very unfair to our country. But what I do disagree with was the fact that we just simply took ourselves away from the negotiating table and say, hey, let's continue putting the issues on, the onus on China and India and that they need to be forthcoming as well.

So I don't think there is that much difference really in our—

Mr. MANZULLO. Well, I am glad I asked the question. I am glad that you corrected me.

Mr. FALEOMAVAEGA. That is no problem.

Next question, and I am sorry to prolong this hearing, but it is important. There has been discussions about whether Japan should become a permanent member of the Security Council of the United Nations. I believe China seems to object to this idea. Any comments on this issue?

Mr. ARVIZU. Mr. Chairman, we continue, as we have for some time now, to support Japan's efforts to become a permanent member of the U.N. Security Council. The challenge, of course, is trying to find the right formula, the right number, all to be done in a way that preserves the effectiveness of the Security Council as a critical body. We do support the Japanese.

I understand that the Japanese have had an extensive dialogue with the Chinese, trying to elicit their support as well. It is administration policy and has been for quite some time now to support Japan.

Mr. FALEOMAVAEGA. Along those lines, should Germany also be a permanent member of the Security Council? These are the top three or four economies of the world. Why shouldn't they be part of the Security Council, permanent member of the Security Council?

Mr. ARVIZU. I would have to go back and check on that for you, sir.

Mr. FALCOMVAEGA. Do you think it is okay, then, Japan being the only nonnuclear country to become a permanent member of the Security Council? And it is okay for the other five permanent members to continue having their arsenals and nuclear weapons?

Thirty thousand nuclear weapons currently exist among the five permanent members of the United Security Council. That is a lot of bombs, you know. I understand we now have the capacity to blow this planet 17 times over with the number of nuclear weapons that we now have on hand. Do you think there any sanity in this thing that we are doing in this world?

Mr. ARVIZU. Mr. Chairman, Japan has—there have been a lot of studies in Japan, and a lot of Japanese have been very much in the forefront of nuclear issues related to nuclear weapons. I think we have a lot to learn from them.

Mr. FALCOMVAEGA. I might also suggest that if Japan wants to become a permanent member of the Security Council that they also should change the structure of their force structure. I mean, the other permanent members have armies. Shouldn't Japan have the same capability as well? Like China, like the United States, like France, they have armed forces. Should they be restricted, as it is currently provided under the Constitution of Japan, that you cannot have a military buildup, and yet in fact they do?

And why can't we export F-22 fighters to Japan? Because we are afraid that it might have a military buildup or are there political consequences there that we cannot export or sell F-22 fighters to Japan?

Mr. ARVIZU. Mr. Chairman, a couple of comments on Japan's Self Defense Forces.

First of all, just in the last 10 to 15 years I think there has been a fairly remarkable evolution in Japanese popular thinking with respect to the role of the Self Defense Forces.

I remember in the early 1990s when Japan dispatched some peacekeeping forces to Cambodia in support of UNTAC, that was very controversial at the time. The thought that young Japanese in the Self Defense Forces would be sent potentially into harm's way was just a very difficult concept for a lot of Japanese to get their grips around. Since that time, of course, Japan has dispatched its forces to any number of hot spots in the world in a peacekeeping capacity.

So I think it is important to recognize just how the situation really has evolved in Japan over time. And I think that is important because, as you indicate, if Japan were to become a permanent member of the Security Council, it will need to take up together with the others some very, very difficult issues and sometimes have to make some difficult decisions.

Mr. FALCOMVAEGA. It is called burden sharing. Just as we are committing our military forces in peacekeeping capacity in so many other regions of the world, shouldn't other members of the council do likewise?

In the case of Japan, for example, you cited their efforts in helping us fight the war on terrorism. Well, doesn't that imply that a sense of having a military buildup is justifiable? There is nothing wrong with having a military—or is there?

Mr. ARVIZU. Mr. Chairman, well, the Japanese do have a pretty sizable military force. By definition, it is called a Self Defense Force. We talked a little bit earlier about the percentage of GNP devoted to them.

I think it is significant that in 2008 the view of the Japanese Self Defense Forces, although it is really the subject of an interesting debate in Japan about whether the role should be expanded, a lot of Japanese are a lot more comfortable about employing the Self Defense Forces, particularly in support of U.N. missions. I think that kind of recognition that sometimes the use of force is going to be necessary in the enforcement of peace, that kind of mentality I think is being more and more accepted in Japan. And that is important because, as you said once, you're in the club, you have got to pay your dues.

Mr. FALEOMAVAEGA. North Korea currently has a 1-million-man army, also has the capacity now to fire missiles. What is the Japanese position on the fact that North Korea now has developed missiles to such an extent that—right up to the ICBM class, I believe. Has that raised any serious concerns about Japan's security? And for those reasons shouldn't Japan be given every military resource as necessary to counter any threats of that sort? Or are we going to do it for Japan?

See, I get these complaints from some of my friends in Japan. We are getting tired of the U.S. telling us what to do. And sometimes I don't blame them for feeling that way. Kind of like we are somewhat condescending sometimes, rather than being an equal partner to the relationship.

But, anyway, the missile development out of North Korea, is that any real serious concern for us as well as with Japan?

Mr. ARVIZU. Mr. Chairman, North Korea's missile program is a serious concern for the United States; and it is a very serious concern for Japan as well.

I would note that one of the more significant recent developments in our security cooperation has come in the area of ballistic missile defense. We are working very closely with Japan on that.

There was a very successful exercise conducted recently. In fact, I would argue that our ballistic missile cooperation with Japan is probably the most advanced with any of our allies in the world. So we do take this issue of North Korea's missile program very, very seriously; and we are working together to address that with our Japanese ally.

Mr. FALEOMAVAEGA. So we tell the North Koreans don't develop nuclear bombs, but we haven't touched upon the idea that they are developing a missile system capable of carrying weapons and of the sort.

I know, Mr. Secretary, I think I have taken you too long to be here. I thank my colleagues that were also able to make it for this hearing. I really want to thank you for taking the time to meet with us this afternoon. Definitely, we will continue the dialogue.

At this time, the hearing is adjourned.

[Whereupon, at 3:40 p.m., the subcommittee was adjourned.]

