



Ambassador J. Thomas Schieffer
Speech and Question-and-Answer Session

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AMBASSADOR SCHIEFFER: Thank you very much. It is a great pleasure for me to be here today. I especially appreciate the Press Club's indulgence – I was supposed to be here last Wednesday to speak and of course the Secretary of State arrived on Wednesday too, so I didn't have much time to peel off and give a speech. I do appreciate your indulgence in allowing me to come here today. I also want to thank you for that good American beef that was served there today. I'm assuming it was good American beef – it was delicious. But I have noticed that since American beef has come back into Japan that everywhere I go now I am served American beef, and I think that my cholesterol count has gone way up since the ban has been lifted, but it's a good way to go as they say.

In the mid 1990s, the noted Japanese journalist Yoichi Funabashi wrote a very well-received book called "Alliance Adrift." The thesis of his book was the notion that a series of incidents had caused the alliance between the United States and Japan to lose its focus. Funabashi argued that unless our alliance was reinvigorated, it would lose its relevance in the 21st century.

Well, what a difference a decade has made. If an author were to write a book about our alliance today, I think they would much more likely choose a title like "Alliance Transformed" than "Alliance Adrift". The last five-plus years have seen a remarkable change in our relationship. Both sides have invested huge amounts of time and effort into modernizing and strengthening an alliance that has been the cornerstone of peace in the Pacific for more than fifty years. The importance and relevance of our work was brought home to all of us over the last few weeks and months in how we mutually dealt with the crisis on the Korean Peninsula. Today, I would like to share some thoughts with you on where the Japanese-American relationship has been and where I think it is going.

No two men have contributed more to enhancing our relationship than former Prime Minister Koizumi and President Bush. Much has been written about the personal friendship they developed over their mutual time in office. And it is true. They really do like each other and that was plain to see for anybody when the President took the Prime Minister to Graceland to visit the home of one of the true icons of American pop culture, Elvis Presley. But there has been much more going on than just the development of a personal relationship between these two men. Both shared a vision that the world was changing and Japan and America had a huge role to play in the future of a new international order. Both understood that in Asia the security of America and the security of Japan begins with the strength of the alliance between our two countries. Over time they both took risks to ensure that the personal relationship they had achieved would be institutionalized in the alliance they both cherish. As Prime Minister Koizumi said last year in Kyoto, there is no such thing as a relationship that is too close between America and Japan.

Prime Minister Koizumi left a mark on that relationship because he understood far more about America than just our pop culture. When the tragedy of 9/11 occurred, he understood the trauma that the American people experienced. He knew that for us, the world would never look the same again. He realized that if terrorism could have that kind of impact in America it must be dealt with everywhere lest it be visited everywhere in the future. He

offered Japan's help and it was greatly appreciated by the President and the American people.

Prime Minister Koizumi understood that terrorism is the bane of our time and it is not just the problem of America. As we have learned since in Bali and Madrid and London and Saudi Arabia and Morocco and Mumbai and Beslan and Moscow, when a demented few believe they have the right to kill innocents in order to advance their political agenda then civilization itself- and not just a single country- is under attack. That's why Japan offered assistance in Afghanistan and Iraq and that's why a new chapter in our relationship was written.

Both Prime Minister Koizumi and President Bush understood that public support is essential to the health of our alliance. When the Prime Minister asked the President to review the size of our troop deployments in Okinawa, the President understood the sincerity of his request. As a result, we have agreed with the Japanese government to move a contingent of 17,000 Marines and their dependents to Guam - a huge portion of the total number of Marines deployed to Okinawa- and those troops and their dependents will be moved to Guam just as soon as the facilities can be built to house them. The Marine base at Futenma, which has been the source of friction between American forces and local citizens, will be returned to Okinawa just as soon as a replacement facility there can be built at Camp Schwab. Throughout the rest of Japan, new American facilities will be built and old facilities will be closed in order to reduce the impact on local Japanese communities and enhance the deterrent capability of our alliance. These were bold steps taken by each side to ensure the long-term viability of our alliance. Throughout some very tough, very hard negotiations we tried to remember that some very strategic concepts were at stake. In the end, the final agreement struck a good balance between local, regional, national, and international interests. Of course our job is not done. Force transformation will not be complete until the agreement is implemented, but when it is we will have an alliance fully ready to meet any contingency of the 21st century. One of the pleasant by-products of all those negotiations was that we got to know and understand each other much better. Now it may seem odd to say that about an alliance that has been in existence for more than fifty years, but I think it's true. By getting us to focus on the future and not just the past or the present, we were able to agree on common strategic objectives. We discussed how we would operate together in a dangerous environment. We anticipated the kind of cooperation that you have seen in response to the launch of North Korean missiles and the test of a DPRK nuclear device.

Contrast that coordination and cooperation with the aftermath of the North Korean missile test in 1998. Then there was a period of time when our two governments differed in what we thought had happened and differed in our respective responses. This time the Korean crisis did not strain our alliance; it strengthened it. Because we shared more and coordinated more, because we studied more and anticipated more, we were able to do more to bring about an international response that will hopefully result in a peaceful resolution of a very serious situation.

There is an important lesson in all this that we should always remember. Sometimes critics

have argued that the Japanese-American alliance encourages military solutions at the expense of diplomacy. Just the opposite is really the case. When the alliance is strong, when each of us knows that the other can be counted on, then diplomatic options increase. Let me give you an example of what I mean.

When Prime Minister Abe went to China and South Korea to promote better relations between Japan and its neighbors, we applauded his efforts. No one had to convince us that Japan still believed in the American alliance; we knew that with certainty. We understood that Prime Minister Abe was reaching out to others not at our expense but to smooth things out for the benefit of all of us.

By the same token, we have been improving our own relations with China, and those improvements did not come at the expense of our relationship with Japan. Everybody-Americans, Japanese and Chinese-understands that our relations in all of Asia begin with a strong Japanese-American alliance. It is a given, and it is a given that everybody accepts for their own benefit.

To put it another way, America and Japan have been tending our garden for some time now and we are already harvesting the bounty of our work. Look for instance at what happened in the aftermath of the North Korean missile launches in July. Japan for the first time in history took the lead in proposing a United Nations resolution dealing with a serious threat to international peace. You were successful in getting the support of every member of the Security Council, including China. Of course we helped, too, but the point is that Japan broke new ground by taking the lead and that was a good thing for Japan, the United States, and the international community as a whole.

With the explosion of a North Korean nuclear device a few weeks ago, the United States and Japan worked together to obtain the support of all the Security Council members as well as the rest of the international community. The fact that Prime Minister Abe had already launched his initiative to better relations with China and South Korea made it easier for all of us to get a tough sanctions resolution passed. Hopefully that resolution will turn the North Koreans toward a more productive path and away from the dead-end they are now pursuing. Think of how much more difficult it might have been, had the United States and Japan not been working so closely together. Again, a strong alliance increases our diplomatic options rather than decreasing them.

In that respect, it might be appropriate to pause here to discuss what exactly we believe the United Nations Security Council Resolution 1718 does and does not do. First of all it is not a blockade. For whatever reason people seemed to equate its passage with the implementation of some sort of Cuban missile crisis-type quarantine or embargo or blockade, and that's just not the case. We believe that the resolution mandates every member state to take action against North Korea with respect to the transfer of missiles, missile technology, nuclear weapons or nuclear technology, as well as a list of prohibited items like luxury goods. Neither the United States nor the rest of the world wants to see more

proliferation of weapons of mass destruction into or out of North Korea. To enforce that resolution, each nation should take action within its own laws and in coordination with the inspection regime of the international community. That means that we applaud actions like Japan has already taken to close its ports to all North Korean shipping. When a country does that, it removes the need to inspect the North Korean ships making calls at its ports.

By the same token we hope that all nations will continue to share information on any trade they are doing with North Korean entities. No one wants to escalate the tension in this crisis but no one should want North Korea to get any mistaken notions that somehow their behavior will be accepted by the rest of the international community.

In the months and days ahead we will be working with Japan and others to implement measures consistent with international law that will make it harder and harder for North Korea to develop nuclear weapons. We want this crisis to be solved diplomatically and through diplomatic means, and we recognize that the enforcement of U.N. sanctions can play a decisive role.

Let me also take this opportunity to comment on something else. In the midst of this crisis some have begun to suggest that Japan might need to acquire nuclear weapons itself.

During the height of the Cold War, Charles De Gaulle made the same argument with regard to France that some would make in Japan today. Mainly, that America cannot be counted on to risk its cities in defense of Paris or Tokyo. All I can say is that history proved De Gaulle wrong. We faced down the Soviets in Europe and in Asia because they knew that a launch against European or Asian capitals would be met with a devastating and catastrophic response from the United States. Nothing has changed except the Soviet Union. It is no more. We are still prepared to meet our treaty obligations to others because we know from past experience that America's security depends ultimately upon the security of others. I would also add that France's nuclear weapons added little, if anything, to the deterrent equation with regard to the Soviet Union. It was the full force and effect of an American response that kept the Soviets at bay. The Japanese people can continue to rely on America's commitment to defend Japan. For more than fifty years, American presidents of both parties have said that the security of America is directly tied to the security of Japan. And that is a view and a promise that will not change regardless of the actions taken by others.

Much of what I have talked about today deals with what we have done in the past. It is incumbent upon those who care about this alliance to come up with new ways that we can strengthen it, and I think we can.

Recent events have demonstrated once again the value of sharing more intelligence. The more we know about our adversaries, the more that we can shape policy to serve our mutual needs. Intelligence is not a luxury. It is an essential part of modern statecraft. We must work together to see that it is successfully practiced. One of the things that we need to do better involves our handling of classified material. When we reveal the sources and methods of

intelligence gathering we give our adversaries a chance to mend their ways and make it harder for the good guys to come out on top. No one wins in that scenario. We must all do more to protect against damaging leaks that inhibit our ability to react positively to critical events.

Recent events have also demonstrated that we must answer some tough questions on how we will operate together in the future. The wisdom of missile defense was never more apparent than in the lead-up to and follow-through on the launch of North Korean missiles last July. Now there are practical aspects that must be addressed. What would happen if a missile were launched by an adversary and a Japanese naval vessel had the ability to knock that missile down? Would it have to wait until it could be finally determined that the missile was headed for Japan, or could it fire based upon the belief that any missile fired at or above Japanese airspace was a threat to Japan? This is an important issue to resolve and it is uniquely a Japanese question that must be answered because the United States has a treaty obligation to defend Japan but Japan does not have a treaty obligation to defend the United States. Put another way, the United States would be obligated to knock down that missile whether it was headed for Japan or the US, but Japan does not necessarily have the same obligation to America. Given the few minutes that are involved in missile defense decisions, it is better for us to answer that question now than in the future because then we will simply not have enough time to make the decision. The answer will be absolutely critical to the function and future of our alliance.

We should also conduct more military and civilian exercises together to make sure that our governments and our forces are interoperable. When on a regular basis Americans sit next to Japanese and vice-versa, we learn not only the unique characteristics of our two militaries but we get a feel for each other that is invaluable when crisis comes. I am convinced that one of the reasons that things have gone so well lately is because we have done so much together lately. We need to continue and increase that practice. Familiarity breeds confidence, not contempt.

Let me emphasize again, America's belief that a stronger alliance does not foreclose diplomatic options; it increases them. We want an alliance of equals, an alliance that allows us to take greater risks for peace because we know we can count on each other. A stronger alliance gives each of us more comfort that we will not have to face a potential adversary alone and isolated from the rest of the international community.

Finally, let me say that a deeper, stronger relationship between the United States and Japan does not have to stop with our military alliance. Our two economies represent 40% of the world's gross domestic product. If we were to integrate those economies more, we could both find new areas for growth. The combined GDP, in constant dollars, of the United States, Canada, and Mexico before we entered into the North American Free Trade Agreement was \$8.5 trillion. In 2005, the figure was nearly \$12.5 trillion. That means that the combined real gross domestic product of the three countries increased by almost 50%, which would not have occurred had we continued to go our separate ways economically. Imagine what could happen if the innovation and creativity of Japan and America could be harnessed together. It

would be a combination that could create new jobs and new prosperity for decades to come.

The prospect of a deeper and stronger alliance has never been better. The prospect of a deeper and stronger friendship has never been better. It is up to us to seize this moment. If we do, generations hence will sing our praises just as we respect and admire those who have done so much to get us where we are today.

President Kennedy used to like to tell the story of the old French general who was in his eighties when he told his gardener that he wanted to plant some olive trees. The gardener protested, saying those trees would not bear fruit for fifty years. The old general just smiled and said, "We have no time to waste, plant them this afternoon."

When it comes to our alliance and our friendship, we still have trees to plant and we have no time to waste. We must begin this afternoon to plant them. Thank you.

QUESTION: On behalf of the audience, allow me to ask you a few questions. In your presentation, Ambassador Schieffer, you have spoken about frankly, the U.S.-Japan alliance, and you have spoken on many of the concrete points. Thank you so much for the thought-provoking presentation, first of all. Now let me go on to my first question: Our interests lie in the development of the DPRK, and I see that we have a question about U.S. policy on DPRK. I see that after the Bush administration was made, after the Republican leadership, it was mentioned that U.S.-DPRK policy has been wrong, but the Republicans are saying "No, no. The Clinton administration's DPRK policy was wrong." During the Clinton era, there was a dialog channel developed between the U.S. and DPRK, and Madeleine Albright visited Pyongyang in her days as a State Secretary, but behind the scenes, the DPRK has been working to have uranium enrichment done. But now, nuclear devices have been exploded and they say it is a plutonium bomb-related test. During the Clinton era, at least, the plutonium development by DPRK has been frozen, but now the explosion has taken place with plutonium-related devices, which means that is a failure of the Bush administration policy vis-à-vis the DPRK. But how would you react to those arguments?

AMBASSADOR SCHIEFFER: I think that all the business about who's fault it is that North Korea exploded a nuclear device is really not all that productive. The truth of the matter is that the people responsible for North Korea exploding a nuclear device are the North Koreans. And no one has found a means of dealing with them that seems to produce any other result. And it is true that the Clinton administration had an agreement with the DPRK in the early 1990s, but what is also true is the DPRK cheated on that agreement, and they cheated on that agreement almost from its inception. Agreements do no good if they obtain no results, and while some people argue that the United States has concentrated too much on sticks and not enough on carrots, other people argue that the Republic of Korea has concentrated too much on carrots and not enough on sticks. If you take the two positions, the reality of it is that neither one of us have been successful in getting North Korea to

realize that nuclear weapons are not in their own interests.

But I think that's why we have tried to concentrate on having a regional response to the issue, because we believe that it is in everybody's interest – whether it be Japan, China, the United States, Russia or South Korea – to have the North Koreans abide by an agreement. And if we don't approach it in that way, and if we tried to – if the North Koreans were successful in trying to split us off from others in the group, we think it would just perpetuate the situation. North Korea is responsible for this crisis, and North Korea can defuse this crisis, and it's no more difficult than that. And we call upon the North Koreans to examine what they've done and to realize that they are becoming more and more isolated from the international community – because of the actions that they have taken, not because of the actions that others have taken.

And all of the five parties, I think, would welcome North Korea's return to the mainstream of the international community, but that return can only come if they agree not to pursue this nuclear weapons path. If they persist in that, they will remain isolated from the rest of the world. And what we would offer as an example of how that can work is the Libyan example. Libya was isolated from the rest of the international community. It was going nowhere, and yet it was pursuing weapons of mass destruction – biological weapons, chemical weapons, nuclear weapons. When Libya decided that that was not producing the kind of results that it wanted, it gave up those programs, and now the rest of the international community is welcoming Libya back to the mainstream of international thought. And that can be a good story, and it's a story that could be repeated if the North Koreans would come to the table and try to negotiate their way out of a difficult position that they have put themselves into.

QUESTION: Then, can I ask you one more question about the DPRK once again? Well, looking at Japan and the United States' policy vis-à-vis the DPRK, there might be slight differences amongst the priorities of the two countries, because as for the interest of the U.S., priority number one is the nonproliferation, and for Japan, the top priority would be to take away and remove nuclear whatsoever from DPRK. So there might be slight differences in the prioritization of the issue between Japan and the United States, and as a result of that, U.S. policy is something that Japanese people find it a little bit difficult to understand. Ambassador had asked for the regional approach, six-party approach so to speak, but at the same time, why is it that the U.S. is adamantly saying that the U.S. would not like to have a bilateral talk face-to-face with the DPRK? What is the reason for the refusal on the part of the US? And the DPRK always wishes to have a bilateral talk with the United States about security, so some argue that the U.S. has to also respond to that request coming from the DPRK and have a bilateral meet. What about the U.S. policy going forward? Do you think that would be the way the U.S. will go in the future?

AMBASSADOR SCHIEFFER: We're happy to talk to the North Koreans, and we have all sorts of unofficial channels that we have been able to get messages back and forth to one

another. But what we're not about to do is to let the North Koreans divide us from the Japanese, or divide us from the Chinese, or divide us from the South Koreans or the Russians. That's why they want to have bilateral talks. It's not to accomplish something. It's to try to divide a united international community – and that won't work, because again, the problem here is not of the United States' making. We have said we're happy to talk to the North Koreans. Come back to the six-party talks, and if you want to go and have a bilateral talk with us at that point in time, we'll be glad to do that. But we want to be able to be in a place and be able to report back to our friends and allies what that conversation was about, and what we don't want to do is to have the DPRK try to characterize those talks as somehow we're giving up on Japan, or we're selling out our friends and allies. We're not going to do that.

QUESTION: You talked about the concern of keeping the confidential information confidential. As far as we're concerned, North Korea would carry out the second nuclear test or not. When will they do it, if they're going to do it? And without touching upon the confidential information you have, would you like to talk about it?

AMBASSADOR SCHIEFFER: (*inaudible*) ...knows whether North Korea is about to explode another nuclear device. And I suspect that we would not. If indeed they did, I suspect that we would not know about it until pretty shortly before they did it, because so much of this sort of stuff is done underground, and it is really hard to follow. But I think that you have to take the North Koreans at their word that they are contemplating making a second test, which again, would be another provocative step that the North Koreans don't have to take. But that's not a decision that is within our ability to keep from happening. If they choose to do that, they have to live with the consequences of doing it. We asked them not to. We asked them to come back to the six-party talks to engage in discussion. We're happy to discuss the issues with them bilaterally or in a multilateral system, if they would come back to those talks. So if they want to do this – if they want to resolve this crisis and defuse this crisis, there's ample opportunity to do that and ample fora to do it. And we hope that they will take advantage of that.

QUESTION: Last question from myself. About the NPT – Nonproliferation Treaty – stance of the United States, I have a question on that. People are talking about Japan might go nuclear, but India and Pakistan had conducted nuclear tests, and India had conducted a nuclear test. The international community has imposed sanctions on India, but at the same time, the U.S. has concluded a cooperation agreement on nuclear development with India, and in that context, they had also asked the cooperation from Japan. So why is it that India is good in doing nuclear tests but not the DPRK? That was the double standard that the international community had questioned, and they thought that could be a hole within the NPT system that the U.S. is looking for. How do you react to those arguments?

AMBASSADOR SCHIEFFER: India exploded a nuclear device in 1974. And the United States reacted very negatively to it, and for 32 years, India has been living with the consequences of that decision. And Pakistan followed with a nuclear explosion after that and also had to live with the consequences of that for in the neighborhood of thirty-something years. We would rather India and Pakistan not have nuclear weapons. We would like to halt the proliferation of nuclear weapons. We have entered, or are in the process of entering into, an agreement with India that we hope will reduce their – that will de-emphasize the weapons part of the nuclear program and emphasize the civilian part of a nuclear program, because we recognize that India's future energy needs may well be met by nuclear energy. But to equate India with the DPRK, it seems to me, is a bit of a stretch. India is the largest democracy in the world and I think has acted largely – has acted responsibly in the area of proliferation. We don't want North Korea to go nuclear. And we're not making excuses for India, but nobody elected Kim Jong-Il, and he certainly has not been operating in a free and open democratic society for thirty-something years. And I think it is not a match on the world stage as to where India is going. I understand the argument, but I think it really takes away from the notion that we ought to do something about the DPRK, because the DPRK is a regional threat to its neighbors and to the United States, and it's one that we take very seriously, and I think everybody in the neighborhood takes it pretty seriously, too.

QUESTION: Mr. Ambassador, probably following up on the previous question about what can be considered to be the double standard of the United States' nuclear nonproliferation policy, could you explain to us once again why the Bush administration will not seek the ratification of the Comprehensive Test Ban Treaty? Why does the United States want to reserve its right to conduct nuclear tests while urging the North Koreans not to test again? How would you respond to the comment made by the North Korean vice foreign minister, Kim Il-Ban, who was recently quoted by ABC News as saying that "The United States has conducted nuclear tests hundreds of times. How can they blame us?" Probably finally, could you give us ...

AMBASSADOR SCHIEFFER: The United States has not conducted a nuclear test for – I can't remember how many years now. We do have a large nuclear stockpile that we want to reserve the right to test in the future, but we've not exercised that right, because we believe that nuclear deterrence is fundamental to the alliance structure that we have around the world. And I think it proves again here in Japan how fundamental it is to what goes on in Japan. If I were to announce here today that the United States had suddenly given up all its nuclear weapons, how do you think the Japanese public would feel, with these tests going on in North Korea?

QUESTION: Could you say a few words to your fellow Texan, Trey Hillman, the manager of the Japan Series champion?

AMBASSADOR SCHIEFFER: Well, congratulations. I think it's great that Trey has been successful in the Japan Series. It's two years in a row that someone who used to work for the Texas Rangers has won the Japan Series, so there's obviously a thread that runs through there. If you want to be successful in the Japan Series, come through the Texas Rangers first.

QUESTION: Mr. Ambassador, back to the nuclear from the Rangers: Japan and the United States in their defense relationship have this, shall we say, three non-nuclear principles also in effect, to the sense that also the U.S. is not supposed to bring in nuclear weapons. There was, many years ago, a discussion about having a sort of "2-1/2 non-nuclear principles." Not Japan having or producing nuclear weapons, but allowing the U.S. to bring in nuclear weapons on their own military equipment and on their own facilities. In the sense that sometimes it may be urgent for ... Is anything like this something you would think should be discussed for policy change in the future, or do you think things should stand like this, because there has, on the other hand, always been a suspicion maybe they are bringing in nuclear weapons anyway, and it's just not publicly known, but that might actually, if it's made official, kind of put to rest that sort of doubt and at the same time show that you could answer to any eventuality with everything you have?

AMBASSADOR SCHIEFFER: I think that the United States does not, as a matter of policy, comment on where it has nuclear weapons, for obvious reasons. But the United States also understands very well the three nuclear principles here in Japan, and they are not inconsistent with American foreign policy goals here, and the change in those three nuclear principles, from our standpoint – we have been able to work under those guidelines for a long time, and we see no necessity for changing that today.

QUESTION: You said for the first time publicly that Japan has not given an answer to the United States' question as to what a Japanese ship sitting in the Sea of Japan – or as the Koreans say, the East Sea – would do if it sees a North Korean missile flying over. Why has the U.S.-Japan cooperation on defense missiles – on missile defense – begun without an answer to that question?

AMBASSADOR SCHIEFFER: It has.

QUESTION: Well, why has it begun without an answer to that question? How did you proceed without an answer to that question?

AMBASSADOR SCHIEFFER: Well, I think, number one, both countries have agreed that

missile defense is important to their future defense. It's the technology of the situation has presented these kind of questions. In the past, you didn't have to answer those kind of questions, because you had enough time at the time of crisis to know what would happen in that result. But because Japan would participate in missile defense, and it wouldn't be just an American missile defense system, then these kind of technological questions present themselves, and we would like to have that discussed and have an answer as to whether that Japanese destroyer would or would not be prepared to shoot down that missile, and under what circumstances. So I think that's the kind of nuts-and-bolts things that we'll be addressing in the future, and hopefully we can come up with an answer.

QUESTION: *(inaudible)*

AMBASSADOR SCHIEFFER: No, we haven't asked for an answer because the question had not become obvious until recently.

QUESTION: Mr. Ambassador, I have a question on the status of the U.S.-Japan talks on how to actually implement U.N. Resolution 1718. I believe the discussions began last Wednesday when Dr. Rice was in town. What is the status of the discussion? When do you expect a conclusion to come, and when do you expect – as far as the suspicious ship inspections goes – when do you expect actual action on the ground, or rather actual action on sea would start to take place? Thank you.

AMBASSADOR SCHIEFFER: Well, I think the discussions over that actually began before she got here, but I think what Secretary Rice was able to do was to give greater clarity to what we hoped that the sanctions regime would be. And the first thing that she wanted to say to everybody: this is not a blockade. We're not talking about blockading North Korea. And I think that the Japanese officials took some comfort in that. And what the secretary also said was that this resolution was passed in New York, as a response to the crisis. And what it gave was each nation authority to act in behalf of enforcing those sanctions. And what we had to work through were the nuts-and-bolts questions of what do you do under this circumstance or that circumstance? You could have a response to the sanctions by doing just as Japan did, basically closing their ports to North Korean vessels. That's an obvious response and a positive response. You could also have the installation of equipment.

We have two initiatives that we call the Megaport Initiative and the Container Security Initiative. Japan is participating in one, and we have been negotiating the other. The Container Security Initiative is the easiest for me to explain, in that we have inspectors that are inspecting these cargo containers that are traveling the high seas to see if they have any kind of contraband in them. Well, if you get one of those containers coming out of North

Korea, we'd like to have those containers inspected. Whether they're inspected in Japan or Hong Kong or any other place in the world, it doesn't matter, as long as somebody that is looking for contraband is involved with that.

And what we have talked about in enforcing the sanctions on the high seas is something akin to what we have been doing with the Proliferation Security Initiative, an initiative that Japan has been a part of since its very inception. And basically how that works is that you have a sharing of intelligence. And I think in the exercise that we did with Japan and Australia – maybe down in the Coral Sea two or three years ago – I think that there may have been EP-3s flown by the Japanese or something. I'm not sure exactly what the Japanese contribution was, but they were a part of that exercise. And that's what we're talking about, is to have a multi-prong way that we share information and that we go out and see that these sanctions are being enforced. And a country could participate in that in any number of ways.

We're confident that at the end of the day, Japan will participate in the sanction regime that is finally established in some sort of meaningful way, but I'm not sure exactly, right now, how that will be. And I think what we're doing is trying to get the people together who are going to be doing this enforcement, to try to work through all of the questions that they'll need to have answered as we go forward. But it's not a check-the-box sort of thing in which we have 10 things that we're asking people to do and that if they can do one of them, well, then, that's satisfactory. What we're trying to do is approach this in a multilateral way and to get the international community to enforce these resolutions and not just the United States. And I frankly think we're having pretty good success with that. You saw in the North Korean ship that went into Hong Kong the other day, it was inspected by Hong Kong officials. That's what you want to have happen: have somebody look at this stuff to be sure that they're not trying to smuggle missile defense, nuclear technology, that sort of thing – missile technology or whatnot into other countries.

QUESTION: Mr. Ambassador, if I could try to get further clarification on a couple of issues you raised in the speech: one, that Sam over here alluded to with the theoretical Japanese destroyer shooting down the North Korean missile. What is the United States' position about Japan scrapping or modifying Article 9 to answer that question? And also on the nuclear issue, what Foreign Minister Aso and others are saying is not that they are advocating Japan having nuclear weapons, but that it should be no longer taboo to have a discussion on this issue. Does the United States have any objection to Japan discussing the issue of whether or not Japan should have nuclear weapons?

AMBASSADOR SCHIEFFER: Democracy in Japan is practiced about as well as it is practiced anywhere in the world, and part of democracy is free speech and the exchange of ideas. What the Japanese people talk about or debate with themselves or with their government is up to the Japanese; it's not up to the United States to opine as to what is

appropriate or not appropriate for Japanese to say. So I'm going to not wade into that one.

Again, Article 9 is a matter that is dependent on what the Japanese say that it is about. But I don't know that there is an overriding concern that we have about Article 9. I think if the Japanese interpreted their Constitution in such a way that a missile launched that had a potential threat to Japan was coming their way, I don't know that that needs an Article 9 revision to come up with that answer. But again, that's something that the Japanese and the Japanese government will have to work through. But I don't think revision of Article 9 will stand in the way of us being able to do more things together for our mutual benefit.

QUESTION: I have a question about financial sanctions. The financial sanctions have been quite effective driving North Korea into a corner, and some say that that was the reason for having DPRK conducted nuclear test. But in concrete terms, what are the financial sanctions that the US had imposed upon DPRK? Can you be specific on what type of effect was attained by that? And on the other hand, DPRK is known for producing "Supernotes." They counterfeit US dollar notes which has given great damage to US, and Japan has a problem of abduction. And Prime Minister Koizumi protested that and won apology from DPRK. Will the US administration also hopes the DPRK to apologize for the great damage done as a result of the Supernotes to the US?

AMBASSADOR SCHIEFFER: The United States imposed – asked Macau to impose – to freeze the assets, and they amounted to about \$24 million of North Korean accounts. We believe those accounts were involved in illicit activities. Illicit activities include money laundering, trafficking in persons, narcotics, and counterfeiting. We are still in the process of trying to trace the records with our Treasury Department and trying to trace those accounts. As you might guess, if they were indeed involved in illicit activities, they are somewhat difficult to trace and to investigate, but that's an ongoing investigation. If you're not involved in counterfeiting, if you're not involved in money laundering, if you're not involved in people trafficking, why would you be concerned about that?

I don't know of any government that can negotiate on having its currency counterfeited. How would you begin the negotiation? "Well, we're prepared to let you counterfeit a billion or two billion dollars of our money this year, and by the way, you can throw in 10,000 tons of heroin, and we'll traffic in maybe 15,000-20,000 people this year." That's not a negotiation. You have to have certain standards that you ask everybody in the international community to adhere to. It seems to me that if you were sincere in wanting to give up nuclear weapons as the North Koreans said they were in the September 19 statement, that that \$24 million wouldn't impact greatly on your position. However, if you were not really wanting to give up nuclear weapons, you might use anything to keep from coming back to the table. We hope that's not the case. We want the North Koreans back at the table, and we want them to sit down with us and with their neighbors and try to work out an agreement that can be to their benefit. But they have said that they – in that September 19 agreement of

last year – they said that they agreed to give up those nuclear weapons, and they've not done anything since then except fire missiles and explode a nuclear device, and that doesn't seem to be a path toward that end.

I'm sorry, did you talk about abductions, too? You asked me about abductions? One of the things that I think has not gotten a lot of publicity, but it is in the UN resolution and we applaud its inclusion, was a sentence or two about humanitarian concerns. And one of the things we recognized that has to be addressed in this whole matter is the question of abduction of Japanese citizens. You cannot have a functioning international system if it allows a state to kidnap 13-year-old children out of their homes for their own benefit. That's just not done. And that issue has to be addressed in this overall process.

QUESTION: I will not come back on Charles DeGaulle's words of yours. I think he was a fan of sovereignty, and actually in Europe, there was another power who also had nuclear weapons – England. My question is rather related to the North Korea issue than the export of weapons of mass destruction. How does Mr. Bush and yourself assess the role of China and Russia? You've been talking about the export of parts by the sea, what about the land? Are you happy with what China and Russia are trying to do to counteract this?

AMBASSADOR SCHIEFFER: I think the Chinese have taken steps across their border to tighten up, and I think the Russians have, too, so I think there's actually been some good progress made in that area.

QUESTION: I have two questions, the first with regard to inspections: Is the United States prepared to have military ships do inspections of North Korean ships either to assist Japan or even Hong Kong or on its own? And the second question: Is the US concerned that the Diet hasn't allocated specific funds for the move of Marines from Okinawa to Guam?

AMBASSADOR SCHIEFFER: Well, I think that we're in the process of working out the first question on interception and all that, and I don't think we've had a definitive answer on that, but that's part of the ongoing process that's going on around the world. With regard to the appropriations of funds, I don't think that you have gotten into the budget cycle at the right time. The agreement was reached post-budget, last year's budget cycle, so I would guess that you would see that addressed to some degree in the upcoming budget that the Diet will pass in March of next year. Because it's important for us to remember that the fiscal year in Japan is different than the fiscal year is in the United States. Our fiscal year ends in September; theirs ends in March. And so there's a difference of when that occurs. Having said that, I'm confident that the Japanese are prepared to implement the agreement that we have reached. And we have received repeated assurances from Prime Minister Koizumi's government, as well as Prime Minister Abe's government, that Japan will

implement the agreement that we have reached.

QUESTION: My name is Kosaka of Nikkei. As far as maintaining the confidentiality of the information – you touched upon it, the United States has an agreement with European countries and other countries, but for the past 50 years, Japan does not have such an agreement, and I would like to hear your comment on the analysis of that situation. For example, imposing a penalty for the leaking of the information. I've been told that is the reason why we don't have an agreement with the United States.

AMBASSADOR SCHIEFFER: The handling of classified information inside Japan – is that what you're talking about?

QUESTION: I'm talking about GSOMIA. The general maintenance of the military information, and you haven't done that. We haven't done that. So that's my question.

AMBASSADOR SCHIEFFER: It's important that we both – the United States and Japan – try to set up a better method of handling classified information. There have been leaks in the United States that have made it more difficult for us to carry on activities. There have been leaks here that have made it more difficult, and I think that both of us need to explore ways that we can handle classified information. I realize that this might not be the best forum to talk about the need for reducing leaks from government, but I think if we can all step back for a moment from the situation, I don't think anybody in this room, nor do I think the media in the United States, wants to do damage to our countries or to our positions in the world. And I think you can have a free and open press and a free and open media that can exchange ideas with the government and all that, and still have a better classification system that keeps the details of intelligence – that the public is protected both from the interest of the public – privacy being protected, but also from the interest of the ability to gather this information around the world. I just think we can both do better, and I think it's something that is worthy of our discussion. And hopefully, we can both come up with some reforms that will make a difference.

QUESTION: There is a mention that Mr. Ban Ki Moon, who will take over as the UN secretary-general early next year, is prepared to meet with Kim Jong-Il. What does the United States think about such a move anticipated by not only the United Nations but also two nations on the same Korean Peninsula?

AMBASSADOR SCHIEFFER: I think we would welcome anything that Ban Ki Moon can do to defuse the crisis. And I think – you know, John Bolton said something the other

day when Ban Ki Moon was elected that really stuck in my mind: "That's about as stark a reminder of the difference that the two peoples have taken, the same people have taken, over the last 50-odd years. One regime has become isolated from the rest of the international community; the other has produced a citizen who will lead the international community. And if that's not as strong an evidence as I can think of of what we're trying to do in the world, I don't know what else could be." I think that the United States welcomes the fact that Ban Ki Moon will lead the United Nations. We believe that he is an extraordinary statesman who can see the big picture and offer leadership at a critical time in the history of the United Nations. And I'm sure that we would welcome his ideas and his efforts to try to get Kim Jong-Il back to the negotiating table.

QUESTION: Starting from last year, when we talked about the economic report of the United States, some people in Japan have started to say that's the internal interference of the domestic issues of Japan. And I have a book that is written here, which is very exciting, and it says "annual improvement requests." The United States issues is domestic interference, and particularly talking about the postal liberalization. This person says the postal privatization is really taking away the Japanese people's savings to the United States. I'm talking about the criticism that I raised that the United States do and say, that Japanese feel it is interference of the domestic issues.

AMBASSADOR SCHIEFFER: Japan does not feel like we interfere in their domestic issues. Postal privatization was something that we applauded, but we didn't initiate it. It wasn't our idea. It was Prime Minister Koizumi's idea, and he had that idea many, many years ago, long before he became prime minister or long before he met President Bush. I think his idea was that postal privatization would make Japan more competitive in a globalized world, but you'll have to kind of talk to him about that.

But you know, the idea that somehow, the United States is responsible for everything that occurs in the world is something that sometimes can be frustrating. On the one hand, people say, "Why did you allow the North Koreans to explode this nuclear device?" And on the other hand, someone says, "Why are you trying to interfere in domestic politics?" The truth of the matter is we're not trying to do either one of those things. We're trying to contribute to a safer, more peaceful world, and we think the way we can contribute the most in that regard is to try to stabilize a sometimes unstable world and try to encourage democracy and tolerance and free speech and a free press and the freedom to worship, because we think those values are not American values, they're universal values. We didn't invent them, but they've served us well. And we think, by the way, they've served Japan pretty well. And we hope that those same values can be put to work for other people around the world. And we're willing to offer leadership in that area, and we're willing to bear a burden around the world – not just in Japan – for the security of much of the world. We're willing to do that because we believe that it is in our own interest to do it, but we also believe that it is in the international community to do it. And we're very happy for others to assume a greater part of that burden if they'd like to do it. And we, I think, all want to work toward a more

peaceful, more democratic world, and sometimes it's easier to do that than it is on other days.

MODERATOR: Well, time is approaching the end. I thank you, Ambassador Schieffer, very much thank you for coming to be with us, sir, despite your busy schedule. Someone asked you a question – just yesterday, there was the Japan Series, and Nippon Ham Fighters, led by the manager Trey Hillman, was responsible for garnering victory for his team. He used to be with the Texas Rangers that you used to operate. That was a very good thing for the promotion of Japan-US relationship further. It was very good news. So, as you had mentioned, Japan-US bilateral relationship is not only military relations. There are so many relations that we can have in various different areas at the same time. As a good manager, I wish you the very best for a future to further make Japan-US bilateral relations closer. Now according to our custom, allow us to present the Ambassador with a token of our appreciation. Thank you.