AMBASSADOR MATSUNAGA, VICE MINISTER HAYASHI, DEPUTY PRIME MINISTER KASEMSRI (THAILAND), DISTINGUISHED GUESTS, LADIES AND GENTLEMEN: IT IS A PLEASURE TO ATTEND THIS SYMPOSIUM AND OFFER MY VIEWS ON THE STATE OF U.S.-JAPAN RELATIONS. I ESPECIALLY WANT TO THANK MY OLD FRIEND AMBASSADOR MATSUNAGA FOR HIS CONTINUING DEVOTION TO THE SENSIBLE DISCUSSION OF THE GREAT ISSUES.

I WILL FOCUS ON OUR SECURITY TIES, WHICH ARE THE FOUNDATION OF OUR BILATERAL COOPERATION, AND WHICH SERVE AS THE LINCHPIN OF ASIAN SECURITY. YOU MAY FIND MY REMARKS SIMILAR TO VICE MINISTER HAYASHI'S ELOQUENT SPEECH, WHICH SHOWS HOW CLOSELY OUR TWO GOVERNMENTS VIEW SECURITY ISSUES.

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SIMPLY PUT, OUR SECURITY STRATEGY IS TO PREVENT CONFLICT. DEFENSE SECRETARY PERRY IDENTIFIES FOUR ELEMENTS OF THIS "PREVENTIVE DEFENSE" STRATEGY: ALLIANCES, REGIONAL CONFIDENCE BUILDING, CONSTRUCTIVE ENGAGEMENT WITH CHINA, AND THE FRAMEWORK AGREEMENT WITH NORTH KOREA.

ALLIANCES

AMERICA'S ALLIANCES WITH JAPAN AND KOREA ARE THE BACKBONE OF OUR SECURITY PRESENCE IN ASIA. THEY ALLOW US TO BE ON THE SCENE WHERE CREDIBLE MILITARY STRENGTH OFFERS THE BEST DETERRENT TO POTENTIAL AGGRESSORS. OUR ALLIANCE WITH JAPAN IS THE CORNERSTONE OF THIS STRATEGY; WE SHARE STRATEGIC INTERESTS, WE WORK WELL TOGETHER IN PURSUIT OF THESE INTERESTS, AND WE SHARE RESPONSIBILITIES.

REGIONAL CONFIDENCE BUILDING

COMPLEMENTING KEY ALLIANCES IN ASIA, THE U.S. ACTIVELY PURSUES REGIONAL SECURITY INITIATIVES. THE ASEAN REGIONAL FORUM (ARF) IS A GOOD EXAMPLE OF THE MULTILATERAL DIALOGUE THROUGH WHICH REGIONAL PLAYERS CAN OPENLY DISCUSS SECURITY RISKS AND COME TO AN UNDERSTANDING WITH EACH OTHER. THE U.S. AND JAPAN ARE, OF COURSE, KEY PLAYERS IN THIS AND OTHER REGIONAL DIALOGUES.
ENGAGING CHINA

THE UNITED STATES BELIEVES THAT ENGAGEMENT WITH CHINA IN PARTICULAR IS VITAL TO REGIONAL STABILITY. WE HAVE DIFFERENCES ON HUMAN RIGHTS, NON-PROLIFERATION, TRADE AND OTHER ISSUES, BUT WE BELIEVE THAT A STRENGTHENED DIALOGUE WITH CHINA IS ESSENTIAL TO FINDING COMMON GROUND AND ADDRESSING TENSIONS WHERE THEY EXIST. JAPAN SHARES THIS VIEW.

NORTH KOREA FRAMEWORK

SECRETARY PERRY'S FOURTH ELEMENT OF REGIONAL SECURITY, THE FRAMEWORK AGREEMENT WHICH BROUGHT NORTH KOREA BACK FROM THE BRINK OF DEVELOPING NUCLEAR WEAPONS, IS A KEY EXAMPLE OF CLOSE REGIONAL COOPERATION. THE U.S. WORKED CLOSELY WITH JAPAN AND THE REPUBLIC OF KOREA TO REACH THIS AGREEMENT AT A VERY TENSE TIME IN EAST ASIA TWO YEARS AGO -- AND OUR COOPERATION IS ONGOING.

THERE ARE STILL MAJOR TENSIONS AND UNCERTAINTIES ON THE KOREAN PENINSULA, AS THE RECENT SUBMARINE INCIDENT REMINDS US, BUT THE AGREEMENT WITH PYONGYANG IS WORKING. WE ARE ON A MUCH BETTER FOOTING.

AS THESE FOUR "PILLARS" INDICATE, U.S. SECURITY STRATEGY IN EAST ASIA CENTERS AROUND DETERRENCE. OUR FORWARD DEPLOYED FORCES MAKE THIS DETERRENCE CREDIBLE. IN THIS REGARD, BASES PROVIDED TO THE UNITED STATES UNDER THE U.S.-JAPAN SECURITY TREATY ARE ABSOLUTELY ESSENTIAL TO AMERICAN SECURITY, JAPANESE SECURITY, AND STABILITY IN EAST ASIA.

FORTUNATELY, THE ASIA-PACIFIC REGION IS NOW STABLE, BUT THE FUTURE POSES MANY UNCERTAINTIES. AS I NOTED, THE KOREAN PENINSULA REMAINS DIVIDED AND DANGEROUS. INTERNAL DEVELOPMENTS AND THE EXTERNAL POLICIES OF SOME KEY REGIONAL PLAYERS COULD MOVE IN UNSETTLING DIRECTIONS. THERE ARE A RANGE OF UNRESOLVED TERRITORIAL ISSUES, AND WE SEE INCREASING MILITARY SPENDING BY MANY COUNTRIES.

KEY REGIONAL SEA LANES LIE VULNERABLE TO THESE MANY UNCERTAINTIES. COMPETITION FOR RESOURCES IS LIKELY TO INCREASE AS ASIA'S DYNAMIC ECONOMIES
PURSUE AMBITIOUS DEVELOPMENT PLANS. IN THIS FLUID ENVIRONMENT, WE CANNOT TAKE STABILITY FOR GRANTED.

I BELIEVE THE NATIONS OF NORTHEAST ASIA SHARE THIS PERSPECTIVE AND RECOGNIZE THAT THE ONGOING ALLIANCE BETWEEN JAPAN AND AMERICA IS ONE OF THE MOST IMPORTANT MECHANISMS TO ENSURE THE SECURITY AND STABILITY OF THE REGION.

BOTH THE U.S. AND JAPAN RECOGNIZE THAT WITH THE END OF THE COLD WAR, THERE IS A NEED TO REVIEW AND REDEFINE THE BASIS FOR THE SECURITY TREATY TO ENSURE CONTINUED PUBLIC UNDERSTANDING AND SUPPORT. THIS BECAME PAINFULLY APPARENT AFTER THE TRAGIC INCIDENT IN OKINAWA ONE YEAR AGO SEPTEMBER THAT RAISED SERIOUS QUESTIONS IN JAPAN ABOUT THE CURRENT U.S. BASE STRUCTURE HERE.

OVER THE LAST TWO YEARS, BOTH GOVERNMENTS HAVE TAKEN THIS CHALLENGE SERIOUSLY. THE U.S. PRODUCED THE EAST ASIA STRATEGY REVIEW, OR NYE REPORT, THAT ARTICULATED THE RATIONALE FOR U.S. STRATEGY IN THE REGION. JAPAN COMPLETED ITS NATIONAL DEFENSE PROGRAM OUTLINE IN LATE 1995, UPDATING ITS DEFENSE STRATEGY. AT LAST APRIL'S ENORMOUSLY SUCCESSFUL SUMMIT, PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO SIGNED A JOINT DECLARATION WHICH, DRAWING ON BOTH OF THESE DOCUMENTS, REAFFIRMED OUR MUTUAL COMMITMENT TO STRENGTHENED SECURITY TIES.

THIS DECLARATION CHARACTERIZES OUR ALLIANCE AS THE FOUNDATION OF ASIAN PROSPERITY AND AFFIRMS OUR INTENT FOR STILL DEEPER COOPERATION IN THE FUTURE. IT OFFERS A COMPREHENSIVE, INTEGRATED VISION OF WHY OUR SECURITY RELATIONSHIP IS SO CRITICAL.

WHILE REAFFIRMING OUR SECURITY COMMITMENT, BOTH GOVERNMENTS RECOGNIZE THE NEED TO MAKE ADJUSTMENTS IN THE U.S. BASE PRESENCE IN OKINAWA WITHOUT REDUCING OUR FORCE CAPABILITY OR READINESS, TO ENSURE THE CONTINUED SUPPORT OF THE PEOPLE OF THAT PREFECTURE. LAST NOVEMBER, WE UNDERTOOK THE SACO PROCESS FOR THIS PURPOSE.
THROUGH SACO, WE HAVE ALREADY AGREED ON A NUMBER OF IMPORTANT STEPS. THE INTERIM REPORT IDENTIFIES THE RETURN OF 20 PERCENT OF THE LAND USED BY OUR FORCES IN OKINAWA, FOR EXAMPLE, INCLUDING THE RETURN OF MAJOR PORTIONS OF THE NORTHERN TRAINING AREA, AS WELL AS THE RETURN OR GIMBARU TRAINING AREA, SOBE COMMUNICATIONS SITE, YOMITAN AUXILIARY AIRFIELD, AND A SUBSTANTIAL LIST OF OTHER SITES.

THE INTERIM REPORT ALSO REFLECTS OUR MUTUAL AGREEMENT TO TERMINATE ARTILLERY LIVE-FIRE TRAINING OVER HIGHWAY 104. RELOCATION EFFORTS ARE WELL UNDERWAY TO PERMIT APPROPRIATE TRAINING OPPORTUNITIES ELSEWHERE IN JAPAN. WE ARE ALSO RELOCATING PARACHUTE DROP TRAINING, TERMINATING MARCHES ALONG PUBLIC ROADS IN OKINAWA, AND INSTITUTING SIGNIFICANT NOISE-REDUCTION MEASURES.

THESE ARE SOME OF THE KEY ISSUES AT THE HEART OF THE SACO INTERIM REPORT. THE REPORT IS THE WORK OF THE SPECIAL ACTION COMMITTEE, WITH THE EMPHASIS ON "ACTION" -- BOTH SIDES ARE MAKING REAL PROGRESS ON THE IMPLEMENTATION OF ADJUSTMENTS INDICATED THEREIN.

THE FINAL REPORT DUE NEXT MONTH SHOULD ALSO CLARIFY QUESTIONS ABOUT THE RELOCATION OF FUTENMA, WHICH REMAINS THE MOST IMPORTANT BASE ISSUE IN OKINAWA. JUST PRIOR TO THE APRIL SUMMIT, OUR TWO GOVERNMENTS ANNOUNCED THEIR MUTUAL COMMITMENT TO RETURN FUTENMA AIR BASE AS SOON AS A SUITABLE ALTERNATIVE WAS LOCATED. THREE OPTIONS HAVE EMERGED AS POSSIBLE SOLUTIONS. ONE POSSIBILITY IS THE RELOCATION OF MOST OF FUTENMA'S FUNCTIONS TO KADENA AIR BASE, WHILE A SECOND OPTION INVOLVES THE TRANSFER OF SIGNIFICANT OPERATIONS TO CAMP SCHWAB FARTHER NORTH.

THE THIRD OPTION -- THAT OF THE SO-CALLED FLOATING OFFSHORE FACILITY (FOF) -- HAS GENERATED THE MOST DISCUSSION. WE ARE PLEASED WITH U.S.-JAPAN COOPERATION AS WE CONTINUE STUDYING THE FEASIBILITY OF THIS OPTION IN MORE DETAIL. THIS IS A LARGE UNDERTAKING, BUT WE HOPE TO HAVE AGREEMENT BY THE END OF NOVEMBER ON WHETHER AND HOW TO PROCEED WITH THIS IDEA.
THE OPTION CHOSEN IN THE END MUST ENABLE US TO: 1) MAINTAIN OUR CAPABILITY AND OPERATIONAL READINESS, AND 2) REDUCE THE BURDEN OF BASES ON OKINAWA.

LAST APRIL, PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO ALSO AGREED THAT OUR DEFENSE COOPERATION GUIDELINES WOULD BE REVIEWED. THE FIRST SUCH REVIEW SINCE 1978, THIS EFFORT FOLLOWS THE DIRECTION SET BY JAPAN'S NEW NATIONAL DEFENSE PROGRAM OUTLINE (NDPO) RELEASED IN NOVEMBER OF LAST YEAR.

BOTH GOVERNMENTS HAVE AGREED THAT THE REVIEW WILL NOT CHANGE THE NATURE OF THE U.S.-JAPAN SECURITY TREATY OR THE ALLIANCE, AND THAT IT WILL BE CONDUCTED WITHIN THE FRAMEWORK OF JAPAN'S CONSTITUTION. THE REVIEW WILL BUILD UPON EXISTING COOPERATION UNDER THE CURRENT DEFENSE COOPERATION GUIDELINES, WITH THE GOAL OF AN EVEN MORE EFFECTIVE RELATIONSHIP IN A NEW SECURITY ENVIRONMENT. IT IS IMPORTANT TO EMPHASIZE THAT THIS EFFORT IS NOT DIRECTED AT ANY OTHER NATION AND THAT IT IS DEFENSIVE IN NATURE.

OUR JOINT GOAL IS TO COMPLETE THE REVIEW BY AUTUMN OF NEXT YEAR. IT IS A COMPLEX PROCESS, ADDRESSING: 1) MODES OF COOPERATION AND DETERRENCE IN "NORMAL" (PEACETIME) SITUATIONS, 2) GUIDELINES FOR RESPONDING TO AN ARMED ATTACK (OR IMMINENT ATTACK) AGAINST JAPAN, AND 3) POSSIBLE JOINT RESPONSES TO REGIONAL SITUATIONS WITH AN IMPACT ON JAPAN'S PEACE AND SECURITY.

CLOSE COOPERATION ALREADY EXISTS IN ALL AREAS UNDER CONSIDERATION, BUT AS I STATED PREVIOUSLY, THE SPECIFIC DIVISION OF LABOR AND COOPERATIVE STRUCTURES MUST BE ADAPTED TO A NEW REGIONAL ENVIRONMENT. KEY AREAS UNDER DISCUSSION INCLUDE, FOR EXAMPLE, IMPROVED INTELLIGENCE SHARING, JOINT TRAINING AND POLICY STUDIES, AN IMPROVED SECURITY DIALOGUE, AND BETTER POLICY COORDINATION.

AS NOTED IN A REPORT ISSUED BY THE SECURITY CONSULTATIVE COMMITTEE (THE 2 + 2) IN WASHINGTON LAST MONTH, "IT IS EXTREMELY IMPORTANT FOR BOTH COUNTRIES TO ESTABLISH A SMOOTH AND EFFECTIVE MECHANISM TO ADDRESS SUCH SITUATIONS [AS THOSE DESCRIBED ABOVE]. THROUGH THIS MECHANISM, both nations
CAN BETTER PREVENT, CONTROL AND MANAGE SITUATIONS, FROM PRE-CRISIS THROUGH POST-CRISIS PHASES."

AS THIS PASSAGE CLEARLY SHOWS, THE GUIDELINES REVIEW FITS WELL INTO OUR DETERRENT STRATEGY. WE ARE NOT ONLY TRYING TO PREPARE FOR A CRISIS MORE EFFECTIVELY, WE ARE REVIEWING COOPERATIVE MECHANISMS TO AVOID A CRISIS.

THIS GUIDELINE REVIEW HAS BEEN CHARACTERIZED BY SOME COUNTRIES IN THE NEIGHBORHOOD AS DESIGNED TO EXPAND JAPAN'S DEFENSE RESPONSIBILITY INTO NEW AREAS. AS I HAVE NOTED, THIS IS NOT THE CASE.

ANOTHER KEY FACTOR IN OUR COOPERATION IS THE GENEROUS HOST NATION SUPPORT THAT JAPAN SUPPLIES TO U.S. FORCES. THIS AMOUNTS TO MORE THAN FIVE BILLION DOLLARS ANNUALLY -- OR 70 PERCENT OF OUR NON-SALARY COSTS -- AND IS UNMATCHED IN THE WORLD.

JUST PRIOR TO THE APRIL SUMMIT, WE ALSO SIGNED AN ACQUISITION AND CROSS SERVICING AGREEMENT (ACSA), WHICH WILL ALLOW US TO WORK MORE CLOSELY TOGETHER ON PEACEKEEPING AND HUMANITARIAN RELIEF EFFORTS, AS WELL AS ON PEACETIME TRAINING MISSIONS.

CONCLUSION

IN CONCLUSION, I SHOULD EMPHASIZE THAT U.S.-JAPAN COOPERATION GOES FAR BEYOND OUR STRONG SECURITY TIES. WE WORK WELL TOGETHER IN MANY POLITICAL, ECONOMIC, CULTURAL, AND DEVELOPMENTAL AREAS AROUND THE GLOBE. TOGETHER WE CONTRIBUTE TO THE BETTERMENT OF OUR COMMON WORLD IN A WAY THAT NO OTHER ALLIES CAN DO. BUT SECURITY REMAINS AT THE CENTER OF THIS RELATIONSHIP -- SINCE PEACE AND STABILITY ARE THE PILLARS UPON WHICH ALL OTHER COOPERATION IS BUILT.

SECURITY STRATEGIES ARE NOT STAGNANT. WE MUST REMAIN FLEXIBLE. WE WILL CONTINUE TO MAKE ADJUSTMENTS IN OUR FORCE STRUCTURE AND BASING STRATEGY AS THE REGIONAL SITUATION EVOLVES, AS WE CONTINUE TO BUILD AN ALLIANCE FOR THE 21ST CENTURY. BUT I AM CONFIDENT THAT WHATEVER CHANGES WE SEE IN THE REGION, THE U.S. AND JAPAN WILL CONTINUE TO SUPPORT A ROBUST U.S. PRESENCE IN JAPAN AS THE LINCHPIN OF REGIONAL STABILITY.
THE US. JAPAN ALLIANCE IS ONE OF THE WORLD'S GREATEST ENGINES FOR PEACE. EVERYONE BENEFITS. THAT IS WHY ALMOST EVERY NATION IN THIS REGION SUPPORTS THE CONTINUANCE OF THE AMERICAN SECURITY PRESENCE MADE POSSIBLE BY OUR ALLIANCE. BOTH THE AMERICAN AND THE JAPANESE PEOPLE OVERWHELMINGLY SUPPORT ITS CONTINUANCE. THIS REGION AND THE WORLD COULD NOT HAVE BETTER NEWS.

THANK YOU.