

YUKIO OKAMOTO

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I am going to move to our next speaker. Of course, Donald Trump is travelling to East Asia in his longest foreign visit of his Presidency so far. Japan will be a key stop on that visit and he will spend time there with the newly elected Shinzo Abe. I think it is fair to say Trump faces a certain tension in his discussions in Tokyo, where on the one hand he must deal with the whole issue of US-Japanese trade and focus on trying to balance that with the new emphasis of developing a new security partnership, with a Japanese Prime Minister who seems open and ready to expand Japan's security role in the Asian zone. To help us understand this trade-off and the tensions in these discussions is Yukio Okamoto, who now runs his own consulting firm after serving as a special advisor to two Japanese Prime Ministers.

Yukio OKAMOTO

Thank you, Ambassador Burt, and thank you for reminding me that it is a countdown and I will abide by instructions. I have many comments to make about Mr. Donald Trump, but after all, he is the duly elected President by the American people, so we respect their collective decision. As far as Mr. Trump's relationship with Japan is concerned, I would say he is a good President. A good President, in our definition, is one who prioritises security affairs, rather than economic affairs, who does not make abrasive economic demands. So far, thanks to the help of three generals and especially Jim Mattis, Mr. Trump is perceived as a good President for Japan. On the other hand, if I can be blunt, we were a little bit disappointed with the inaction of President Obama in the Asian theatre, which we believe has emboldened China's ambition to go outward, especially its expansionary maritime strategy towards the South China Sea, East China Sea, and the Pacific. In the United States, we have always been protected and supported by the defence people, more than any other group, so we still feel we are in the good hands of the defence clan.

As far as economic aspects are concerned, Mr. Trump did walk out of the TPP, but as you know, Japan has started to coalesce around the remaining 11 members to form TPP 11, which if everything goes smoothly will come to a conclusion before the end of this year. At which point, we hope that the United States will reconsider its position. For one thing, American farmers, for example, will be at a very great disadvantage if the United States does not come in. According to TPP, our final tariff on beef for instance will be 9%, which the Australians will enjoy, whereas if the United States does not come in, they will be taxed at 38%, the current rate. If they do not come in quickly, Australian beef will sweep the Japanese market.

Mr. Trump or the United States' most serious concern is North Korea, which is the same for Japan. It is our highest national security agenda. The problem is that this young, reckless, erratic dictator is almost getting to the point of acquiring ICBMs capable of reaching the continental United States with nuclear warheads. The pace of the preparation is very impressive. This year alone, Kim Jong-un has already launched 15 missiles, including the failed ones and since he came to power he has shot 94 missiles, compared to the 25 years of his father and grandfather's terms when they launched 61. The pace at which he is experimenting has been speeding up. I think that the international sanctions have at last started to take effect, slowly, but steadily and Mr. Kim Jong-un has to have the weapons in his hands before he chokes economically. That is my personal thinking. Of course, he aims to have these weapons to have the subsequent negotiations with the United States as a nuclear State and advantageous conditions. However, my conjecture is he has further ambitions to unify the Peninsula, the aborted dream of his grandfather, so he can say to the United States that they should not intervene this time because they know what will happen. Mr. Abe and Mr. Trump are on very good terms and, as a matter of fact, are playing golf together tomorrow and I think that Mr. Abe's role is to stand by President Trump, because this nuclear problem with North Korea will be a long, long game. After North Korea has acquired a de facto nuclear State status, we will have to beef-up our retaliatory capability on a massive scale, as a means of deterring North Korea's temptation to use those weapons and to build a credible missile defence system. I think we will have to wait a long time before North Korea becomes a normal State.



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Thank you.