

Kerry at 50th U.S.-Japan Business Conference

14 November 2013

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

November 14, 2013

REMARKS

Secretary of State John Kerry

At a Dinner for the 50th U.S.-Japan Business Conference

November 14, 2013

The Willard Hotel

Washington, D.C.

SECRETARY KERRY: Thank you very much. Thank you, thank you. Thank you very much, Ambassador. Thank you very much. (Applause.) Please, thank you, thank you, thank you. I am enormously grateful (inaudible). Winston Churchill said the only reason people ever give a standing ovation is they desperately need an excuse to shift their underwear. (Laughter.) I know you had a much more noble cause in mind. (Laughter.) And I thank you for that.

Charles, thank you for a very warm introduction. I'm very grateful. And there's nothing worse than parachuting into a dinner, interrupting people's meal. You don't have any idea what everybody's been talking about and you're going to give a speech for a few minutes. But I'm going to try and do that as effectively as I can.

I'm really honored to be here. As you all know – it was mentioned in the introduction by Charles – I used to be an elected official. I was a senator for 29 years. So I used to go to things and say, “It's nice to be invited anywhere.” (Laughter.) And now that may be more true, I don't know. (Laughter.)

I was walking through an airport a few months before I was nominated to be Secretary of State, and it was up in Boston. This guy points at me – you know that note of recognition as you're walking and you see the eyes fix on you or something – and he said, “Hey you. Hey, anybody ever tell you, you look like that Kerry guy we sent down to Washington?” (Laughter.) And I said perfectly normally, I said, “Yeah, they tell me that all the time.” (Laughter.) He says, “Kind of makes you mad, doesn't it?” (Laughter.) So I'm really lucky to be out of that and happy to be here.

It's wonderful to be here with Tom Donohue and with all of you celebrating the 50th year of the U.S.-Japanese Business Conference. And I can tell looking out at the ballroom – and I think – where's Tom Nides? Is he here somewhere? No, not Tom Donohue. Tom Nides. Is he here? Somebody told me Nides was going to be here. Well, anyway – well, I've now outed him. He skipped the dinner. (Laughter.) Trouble.

But I know a lot of the folks who are here, and this is a very powerful group of smart business people, all of whom understand the new global economy that we are dealing with, and as Tom

and I were talking just walking in here, a much more complex world in many ways than the world that we grew used to through the latter part of the 20th century. The Cold War was really simple compared to what we're looking at today, with the rise of sectarianism, religious extremism, the challenges of global barriers breaking down, masses of young people all around the planet desperate for education, for jobs, for opportunity, for a reach at the brass ring.

And relationships like ours, the relationship between Japan and the United States, are even that much more important when you think about the complexity and the importance of alliances in this new global economy and with these multiple challenges that we all face. If anybody doubts the importance of this particular relationship, let me just tell you that all you have to do is look at my schedule just for this week. This is my third event with Ambassador Sasae this week. (Laughter.) And I think it underscores the importance – I had the privilege of being with him when we swore in Caroline Kennedy and a wonderful reception at his home to toast her, and literally within hours she is on an airplane right now and she will land in a couple of hours in Tokyo and begin her journey there.

So Mr. Ambassador, I can promise you, as I've said previously, President Obama is sending somebody to represent the United States in Japan who truly has his ear and his respect. And she is a very accomplished individual – author, lawyer, a convener of people for all kinds of things through her lifetime. In many ways, she's been an ambassador all her life, as I said at her swearing-in. And obviously, with her work with the Kennedy Library, her work as the chief of the partnership for schools and education in New York City, and so many other efforts, I believe she's going to really take our relationship to new heights, and we're excited about that.

It's not inappropriate with Caroline Kennedy on that airplane and as we mark the 50th anniversary of the loss of President Kennedy that we remember what President Kennedy said 50 years ago. He urged Americans to look inter-continentially instead of inwardly, to bridge oceans with purposeful partnerships. And he said that we must "look outward to cooperate with all nations in meeting their common concerns." I don't think that that charge has ever been more important than it really is today.

Fifty years later, with President Obama's leadership with respect to our outreach, to the rebalance in Asia, we are bringing that commitment and we are particularly bringing that commitment to our partnership with Japan. As the President said in Tokyo on his first visit in his first year in office, the Pacific Ocean doesn't separate us as much as it connects us. And I think the same can be said and most of us here would feel the same way about the shared values that have brought us through these 50 years and more in a period of enormous transformation for both of our countries.

We also know, however, that you can't rest on the past. It never works. You need to keep revitalizing the alliance and reframing it. Secretary Hagel and I paid a visit just a short time ago to Japan. We were in Tokyo for what we call a 2+2, which is Defense Secretary and Secretary of State meeting their counterparts. And we worked very closely there in order to forge a new framework for our alliance for the first time in nearly twenty years. We are not just recommitting to the partnership that has been the cornerstone of Asia's security and prosperity for the past six decades, we are reinvigorating and redefining the ways that we need to carry that relationship into the future.

And I think as you look at our work together, whether it's on security, on trade, on global challenges and people-to-people ties, we are proving true what Prime Minister Abe said in Washington: No one should ever doubt the strength of this remarkable alliance. Now, we could not be more pleased with the initiative of Prime Minister Abe and the work that he is doing now to strengthen Japan and its alliance and also, frankly, to play a more robust and more engaged role within the region, which is important, and we welcome that initiative and that effort.

Today, we have the opportunity to, frankly, break new ground in how we keep countries safe, how we help economies to mature, how we create new jobs and embrace partnerships for the future. And I was telling Tom as we came in here one of the things that I have said since day one when I became Secretary of State is that in many ways foreign policy today, more than almost at any time in recent memory, foreign policy is economic policy, and economy policy is foreign policy. And we need to really focus in on that – all of us – as we think about the ways in which we're going to grow our economies and provide for this rapidly increasing demand for services and opportunity on a global basis.

I think that we've seen this partnership grow in other ways. Right now, Japan and the United States are working together in order to provide emergency assistance in the Philippines because of the devastation from the typhoon. That's the kind of cooperation that redefines security and partnership in the region. And as I said in my remarks at Tokyo Tech when I spoke just last spring, we believe not in some specific set of commandments about how we ought to behave, but rather in a mutual recognition that, as you say in Japan, we are all in this together, otagai-sama. (Laughter.) Not bad. (Applause.)

Every one of you comes to these tables tonight and most importantly to this 50-year partnership with an understanding of your own businesses and of this new, more competitive, more voracious, fast-moving economy that we're all working in. And it is the success of your businesses and the strength of the ties between them and the United States and your own countries – Japan or America – that is really the proof of what I'm talking about here tonight. For those of you representing Japanese companies who have invested in the United States, we thank you. We also invite you to do more, to recognize what is happening here in America with respect to our productivity, our competitiveness, and the extraordinary fact that we have suddenly become the number one oil and gas producer in the world and will be energy-independent by the year 2035. It's extraordinary. I can't tell you that it was something that was absolutely, totally planned. It came about because of the extraordinary productivity and innovation of some of our companies, and that innovation is now producing a different future for people all over the world.

We also hope that you will recognize that we, I think, are the number one leading nation in the world with respect to foreign direct investment from very, very many places, and now increasingly we are finding ourselves manufacturing competitive with manufacturing coming back as a consequence of a whole bunch of different ingredients that I won't go into tonight.

I also want to point out that through the work of a program called SelectUSA, we are working aggressively to reach out to countries to market something that we haven't always done as aggressively in the past but which we think is important in this new dynamic.

For those American companies among you who have invested in the Japanese market, likewise we say thank you, because your investments abroad create jobs back here at home and they generate wealth that not only supports our economy but becomes invested and helps to deal with challenges on a global basis.

To harness the full strength of our alliance, I would respectfully say to you that we need to actually deepen our economic ties, and we need to unlock the full potential for growth in the Asia Pacific, a fast – remarkably, one of the fastest-growing parts of the world, obviously. I was just in Brunei and Bali for the summits, and I could feel this incredible energy as well as just see the remarkable set of opportunities.

But the great catalyst for this effort, we believe, is the Trans-Pacific Partnership. We are absolutely convinced that the multilateral free trade agreement under negotiation with some of the world's most vibrant economies represents something good for everybody in the world and it will make a difference by raising standards, opening up markets, and creating, literally, millions of more jobs in our country, in yours, and across the Asian Pacific. This is the future.

And with Japan's entry, the TPP markets are going to comprise nearly 40 percent of the world's GPP. You put that together with the TTIP and Europe, and you have the most powerful economic force on this planet, raising the standards of everybody, breaking down barriers, breaking down the sometimes government-placed barriers, and creating a fair playing field which improves everybody's sense of the future, and certainly sends a message to capital about investment, which really is important to the kind of growth that we need in all of our countries.

So the TPP is not only going to be a job creator here at home and in Japan and throughout East Asia, but it's going to ensure that the highest standards that we set in our own economies become the standard by which everybody then begins to measure their own judgments about investment and about the marketplace. And that improves the certainty of investment as well as creates a stability from which every single one of us will benefit.

We also know that the vitality of our partnership for the future depends on innovation. This has been proven over the last years, ever since World War II. Almost all of the productivity that we saw in our country – I think about 85, 90 percent of it – came through increases in innovation. And the foundation for innovation – none of us dare forget – is people. It's the ability to be able to have people take ideas and take risks and be willing to cross oceans and create the new products and new possibilities of that future.

Through our exchange of technology and talent, U.S. and Japanese researchers right now are making historic breakthroughs in creating new – in helping to build the International Space Station, in helping to find cures for cancer and treatments for cancer. And from the tragedy of the 2011 earthquake and tsunami, we have actually been able to cooperate and find ways to make great strides in disaster response, recovery, and risk mitigation.

But as with any profitable partnership, every single one of you here knows that growth requires investment. And when it comes to the educational exchange, I just want to single out for you we can do better and we need to do better. In recent years, the number of Japanese students studying full-time in the United States for their university degrees has dropped by nearly 60 percent. Meanwhile, the number of U.S. students studying in Japan, while growing steadily, has actually

remained relatively low despite the growth. So each of you here can actually engage in proactive ways to help us continue that exchange which is going to be critical to the vitality of our innovation and the growth of this partnership.

And it's important because in today's world, whether it's climate change, or the problem and challenge of youth unemployment or global health, every one of these issues transcend borders. They don't belong to any one country. And so the result is we have to find new thinking that brings people together on an international basis willing to cooperate, willing to share the values and share the solutions to these particular problems.

I think the reality is that the United States and Japan's ability to create shared prosperity tomorrow rests almost exclusively in what we do to build the stronger ties today. And I invite all of you to find ways for your businesses to create these stronger partnerships and move us forward. As we work to grab ahold of these opportunities in the future, there are some special things we're going to need to pay attention to. Everybody knows about the tensions over islands between Japan and China. We're all very cognizant of still some unfinished business with respect to the Republic of Korea and the need to move to the future and not be held by the past. We also know that North Korea presents a very special challenge to all of us, and one in which our cooperation with China will be as critical as any other single thing that we do, because China above all has the ability to make the greatest difference in the choices that North Korea makes. And we have been having that dialogue very directly, and that policy is moving, and I believe it is the only way ultimately to – the only way that we want to rationally accept to force the denuclearization of the peninsula, which is critical to the non-nuclearization of the entire region.

So these are the challenges. They're not small. And because of what so many of you in this room have helped to achieve, I believe we have a chance to turn our potential into the promise of the future and to address each of these. I think we have the opportunity to live up to our generational responsibility to meet these challenges, and I look forward to passing that generational test with you in an effort to make certain that we make wise decisions, that we protect the future, and importantly in that effort, that we continue to build this extraordinary relationship.

Thank you for letting me be here to celebrate with you. Thank you. (Applause.)