



**Remarks by Prime Minister Shinzo Abe
on the occasion of accepting
Hudson Institute's
2013 Herman Kahn Award
Wednesday, September 25, 2013,
The Pierre Hotel, New York City**

Thank you, Scooter. Ken, my friends, Chairman Stern, I am flattered. Thank you so much.

President Reagan received this award. So did Vice President Cheney, Secretaries Kissinger and Shultz, and the list goes on, and on. And today, you have made me its first non-American awardee. I cannot thank you more.

Herman Kahn predicted Japan's rise early in the 1960s. If he were still alive, and saw Japan today, what would he say? Would he say that the Japanese have again become like sunflowers, always looking toward the sun?

I do hope so. Because by reinvigorating the Japanese economy, I am also hoping to bring back a sense of optimism for the future to the people of Japan. This is why we all rejoiced so much at the decision that the Olympics in 2020 should come to Tokyo.

Ladies and gentlemen, a prolonged slump has downsized the Japanese economy. The amount lost is even bigger than the economy of Argentina.

More and more young people were starting to give up hope. A majority of the Japanese had begun to expect that tomorrow they would be worse off than today.

Were Japan a small country, it would not have mattered much. But it is not. The Japanese economy is still larger than Germany and the UK combined.

In Japan, very few have served as Prime Minister twice. But the economic straits were so dire that the voters chose me once again.

So, my first and foremost priority is to restore the economy.

In order to drastically change the inward-looking mindset of the Japanese, and to encourage them to be bold, taking risks, my so-called first arrow called for a monetary policy untested until now.

Second, to strike a right balance between fiscal consolidation and enhancing growth, my second arrow was about flexible fiscal policy.

And the third arrow, which we are shooting now, wants you, Uncle Sam. Because it will make Japan more open to foreign investment.

I now have to deliver, with your investment, with your expertise, and with your commitment to the future of Japan, a country that will be like a city, shining upon a hill, with free ports humming with commerce and creativity,to go on sounding Reaganesque.

It is my belief that Japan and the U.S. together should lead the Indo-Pacific Century to make it one that cherishes freedom, democracy, human rights, and rules-based order, with the TPP as its backbone.

That is why, I have decided that Japan must enter into the negotiations for the trade framework.

And today, I am pleased to be telling you that my three arrows are bringing concrete results. Last year, in the third quarter, Japan's economy shrank by three point six per cent. But under my new policies, this year, in the first quarter, Japan's economy grew by four point one per cent. In the second quarter, three point eight per cent.

Now, let me turn to the issues of national security.

The question is this. Is Japan up to its task in this world where threats see no borders?

Let me give you a picture.

First, at the site of a UN peace keeping operation. Japanese troops are operating alongside another military from a country X.

Suddenly, the X force is under attack. They ask for help to the Japanese, stationed nearby.

But, the Japanese troops cannot help. Because it is unconstitutional to do so under the current interpretation of the Japanese Constitution.

Take another example, this one on the high seas.

The US aegis ships are deployed around Japan in cooperation with Japanese aegis ships against a potential missile launch.

They are concentrating their capabilities on the missile defense, leaving themselves weaker to air-to-sea attacks.

Now, all of a sudden, one of the US ships is attacked by an airplane.

Again, the Japanese ships, no matter how capable, cannot help the US ship. Because to do so will constitute an act of collective defense, which is unconstitutional under the current interpretation of the Japanese Constitution.

Those are the questions, we are seriously considering how to address.

In this age, everything is connected. Nothing lies outside a network. Outer space has no borders. Chemical weapons transcend borders.

My country cannot be the weak link in the chain.

Ladies and gentlemen, I am working hard to rebuild Japan's economy, while at the same time, working hard to reinvent our national security structure.

For the first time ever, Japan will establish its National Security Council.

For the first time ever, we will publish a national security strategy in which we will state what Japan is committed to, and what our aims are.

Also, for the first time in eleven years, my government has increased its defense budget this year.

By how much, you may want to know.

Before that, we have an immediate neighbor whose military expenditure is at least twice as large as Japan's and second only to the US defense budget.

The country has increased its military expenditures, hardly transparent, by more than 10 per cent, annually, for more than 20 years since 1989.

And then, my government has increased its defense budget only by zero point eight per cent.

So call me, if you want, a right-wing militarist.

Now to sum up, Japan should not be the weak link in the regional and global security framework

where the U.S. plays a leading role.

Japan is one of the world's most mature democracies. Thus, we must be a net contributor to the provision of the world's welfare and security.

And we will. Japan will contribute to the peace and stability of the region and the world even more proactively than before.

I am determined, ladies and gentlemen, to make my beloved country a "Proactive Contributor to Peace." I am now aware, that my historical role should be to revitalize the nation and encourage the people to be more forthcoming, thereby leading them to become a proud bearer of the banner, the banner for a Proactive Contributor to Peace.

I now know why you gave me this award. It is quintessentially Khanesque, isn't it, to encourage the receiver by predicting his future on his behalf.

Thank you very much.