

SEA ISLAND SUMMIT 2004  
G8

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PRESS CONFERENCE  
BY  
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PRIME MINISTER KOIZUMI: First of all, I should like to express from the very bottom of my heart condolences for the passing of President Ronald Reagan, who was deeply respected by the people of the United States and who left many important achievements.

Also, I should like to express my heartfelt gratitude to President Bush, who chaired the summit meeting this time, as well as the other members of the U.S. Government, for organizing the summit successfully and to the people of Georgia for their very warm hospitality and welcome.

It was exactly 1975 when the first G5 Summit meeting took place in Rambouillet, France, and this is the 30<sup>th</sup> anniversary since. At that first summit, the leaders gathered following the oil crisis when the price of crude oil shot up from \$1 to \$2 per barrel to \$10 or more per barrel. And the oil consumers around the world were hurt seriously economically, as Japan was dependent on oil supplies from overseas for 99 percent of its consumption. Of course, the damage on Japan was significant.

Immediately following that oil crisis, for one full year Japan experienced very rapid inflation of 20 percent per year or so. Now, 30 years since, Japan is going through a deflation, a situation that Japan had not experienced before, and we are in the process of overcoming that. So it is a far cry from 30 years ago.

Now, back in those days, the industrialized countries got together to figure out how to overcome the oil crisis, so five industrialized countries, U.S., U.K., France, Germany and Japan got together at that time. We have now grown into a Group of Eight. Over the past 30 years, many developments, many incidents took place around the world.

Year on year, leaders of the industrialized countries have got together for these G5, G7 or G8 summits. This time, we discussed the rising oil price situation, Iraq, the Middle East, North Korea, and we also discussed the world economic situation.

We are faced with numerous problems. But I believe we had a very meaningful meeting. Each time, we have different items on the agenda. But we all face common political, economic and social problems or crises, but there is no change in that the G8 leaders come together to discuss together how to address these problems.

This time, we took up the terrorism issue – Iraq, North Korea, the rising oil price issue – and I believe we were able to exchange our views very candidly, especially with regard to Iraq. The transfer of governing authority to Iraq, or the transfer of the sovereignty to Iraq, and also towards the reconstruction support for Iraq.

A new U.N. Security Council resolution was adopted unanimously, and G8 Summit, I believe, was held indeed in a most timely manner. The Middle East and African leaders took part in the G8 Summit meeting this time. Especially, the new President of the interim government of Iraq, President al-Yawar, participated as well.

With the transfer of sovereignty to Iraq, a new stable and democratic government has to be put in place. What is most important in this regard is that the Iraqis, themselves, showed to the international community their will to build their own or rebuild their own society with their own hands.

Those who will reconstruct and establish a stable democratic government is not the United States or the G8 countries, or the U.N. It is the Iraqis, themselves, who have to overcome the confrontation or conflicts between the pro-American and anti-American forces and so on, and have to show their will to the international community that they aren't going to rebuild their own society.

The United Nations and the international community has been showing their willingness to cooperate, go with Iraq's reconstruction and stability, the stabilization. And that is why this new resolution was passed in the U.N. Security Council for the transfer of sovereignty and reconstruction of that country.

Japan shall also provide its contribution to humanitarian and reconstruction support for Iraq that most suits Japan.

With regard to the international economy, the world economy, unlike last year, we now see many brighter signs. This improving trend of the world economy should be further carried forth in such a manner that all the countries concerned carry out their reforms to make this recovery more sustainable.

The Japanese economy has long remained stagnant. This is, I'm in my third year of the administration, but there is no change in my basic stance that there can be no economic growth without reform, without structural reform.

Since taking office, the government has set its economic goals, and I believe the improvements are taking place as we had envisaged, or perhaps even better than we had envisaged. And by further carrying forth the reform, we would like to see to it that that will lead to further sustainable economic growth. And I would like to further grow these fledgling reforms into large blossoming flower.

Alongside the robust U.S. economy, also rapid growth is continuing in China, our neighbor. And we should take advantage of these favorable conditions and further grow Japan's own economy so that we shall also contribute to the world economy as a whole.

Turning to North Korea, last month I paid my second visit to Pyongyang following my first on the 17<sup>th</sup> of September the year before last. And I met with Kim Jong-Il and I explained my meeting with him.

The year before last in September, I met with Mr. Kim Jong-Il and discussed abduction issue, the nuclear program dismantlement and missile issues, that these issues need to be resolved comprehensively. I said that there is no change in this basic attitude, and I visited Pyongyang again to make further progress in this regard.

We believe that the nuclear program dismantlement is a matter of greatest concern for the international community. Now, the Six Party Talks are about to be held involving the U.S., Russia, China, South Korea and Japan as well as North Korea. And we should like to take advantage of such opportunities to encourage North Korea to become a responsible member of the international community.

On development, whenever we discuss development, we have to attach importance to the environment. And I stressed this point. During the days of rapid economic growth for about a decade in Japan, we experienced double-digit economic growth year on year.

I have, alongside that economic development, we also experienced negative aspects in the form of environmental pollution, be it developed or developing countries. Whenever we try to grow our economies, we also have to pay due consideration to the environment. And from that perspective, I suggested that we need to go work on three Rs: to reduce, reuse and recycle waste. We have to attach great importance to these three Rs. And the leaders at G8 this time saw eye-to-eye on this.

Now, many countries, African countries, Middle East countries and G8 leaders, they expressed their views very candidly. We had a very candid exchange of views, and I think the summit meeting this time was indeed very meaningful. So once again, I would like to express my gratitude to President Bush, who organized the summit meeting, as well as to the American people for their very kind hospitality.

And I would like to entertain questions you may have.

Q Sir, the question from the Japanese side. First, during the summit, there was a unanimous agreement to join hands to support the Iraqi reconstruction. However, France and Germany still maintain the position not to take part in the multinational force. But to this, do you think that Japan has a role to play, to build the effective international cooperation?

Now, the SDF's participation in the multinational force is controversial, even within LDP. But how would you explain this to the Japanese people?

PRIME MINISTER KOIZUMI: I had a talk with President al-Yawar of the Iraqi interim government. President al-Yawar said that he highly regards the Japanese Self Defense Forces and the humanitarian reconstruction support, and he is very grateful for that support.

Building on the unanimous approval of the U.N. Security Council resolution, Japan wishes to provide support that is suitable of Japan as a responsible member of the international community. Now, there will be that multinational force, and within that multinational force we would like to consider how best the Self Defense Forces can contribute in the humanitarian and reconstruction support area.

Upon return to Japan, I shall consult with various people concerned, and figure out what sort of support, cooperation will be most appropriate for Japan.

The stability of Iraq will have a major bearing not just on the Middle East, but on the world as a whole, including Japan. And, therefore, I believe that Japan also has to seriously think about its support.

Q Yes, please. Prime Minister, I wonder if you can talk a little about the Iraqi debt relief. I know that last year you said that Japan would be proactive. I wonder if you could put a figure to that or say if you'll lead the way on that? Thank you.

PRIME MINISTER KOIZUMI: With regard to debt reduction of Iraq, Japan wishes to remain flexible. Japan is the largest creditor, vis-à-vis Iraq, in the world. And depending on the numbers that you use, like whether you include the private sector debt or other numbers as well, the numbers you use could differ.

Nevertheless, there is no change in the fact that Japan is the largest creditor. If we speak only in terms of government credit, I believe it is \$4 billion. Some others also speak of \$7 billion, whichever it may be. As the largest creditor, now, how far the debt will be reduced certainly will have a bearing on Japan itself. But we also believe that the debt of Iraq should not shackle Iraq's reconstruction.

This rate of reduction has to be discussed at the Paris Club, and of course there are numerous other countries with significant amounts of debt – credit vis-à-vis Iraq. So Japan wishes to remain flexible. And we are not in a position to say, or it has not been decided what percentage the debt reduction will be.

But as far as Japan is concerned, we shall remain flexible with regard to debt reduction, so that there will be stability and reconstruction in Iraq.

Q During the summit this time, you explained the Japanese position vis-à-vis North Korea in details, and won the understanding of other leaders. Now, based on this outcome of this summit, how would the government of Japan achieve the comprehensive resolution of North Korean issues, including nuclear issues and the abduction issues and the normalization issues?

PRIME MINISTER KOIZUMI: I have met with Mr. Kim Jong-Il twice. The first meeting on the 17<sup>th</sup> of September the year before last, and then once again last month. And I saw a slight change in Mr. Kim Jong-Il's attitude between those two meetings. At the time of the first meeting the year before last, he showed strong resentment vis-à-vis the United States. This time, I felt that he was dying to have a dialogue with the United States.

With regard to the abduction issue, at the first time he said that the issue was already resolved. Last month, once again he said this abduction issue has already been resolved. But I said no, it is not being entirely resolved. And so we got him to say that he will reinvestigate this.

With regard to the dismantlement of the nuclear programs, Mr. Kim stated clearly that the ultimate goal is the denuclearization of the Korean Peninsula. Also, with regard to the freezing of the nuclear program, he also explicitly said that he takes for granted the verification should follow this freezing.

Now, I said that – look at the benefits you would get by developing a nuclear program and the support that you may get for that, like energy support and so on, and consider also the benefits you will gain by giving up nuclear program. If you dismantle nuclear programs and become a responsible member of the international community, then the benefits he will get would be full-scale economic cooperation, including energy support, food support and so on.

The benefits he will gain from hanging on to nuclear program would be miniscule. So, dismantlement of the nuclear program will bring far greater benefits to North Korea. This is one point that I stressed to Mr. Kim Jong-Il. And I very much hope that he will address these issues with very calm and with good faith.

It is true that there is a lot of mistrust, but I hope that Mr. Kim Jong-Il will engage in very sincere exchange of views at the Six Party Talks that will take place this month, and also if he intends to dismantle nuclear programs, I hope that in the Six Party Talks, he will state clearly North Korea's views where the U.S. is present.

Of course, there could be bilateral meetings with the United States or there could be multilateral meetings at the Six Party Talks, but I believe North Korea – we should

confirm – I said to President Bush that he should try and vet out what North Korea says in words and bilateral meetings and in action as well. And also, I hope that North Korea will show an attitude as well as possible the will to become a responsible member of the international community.

But above all, I believe that a diplomatic and peaceful resolution is necessary. So to that end, Japan will continue to work on the abduction issue, the nuclear issue and the missile issue in a comprehensive manner so that we will arrive at the end of the day at a normalization of relations.

Now, I believe Mr. Kim is seeking his own personal security from the United States. And I also believe that he is dying to get economic cooperation from Japan. To that end, I believe all countries at the Six Party Talks should indicate to North Korea that it is necessary for North Korea to give up their nuclear programs.

And without the dismantlement of their nuclear programs and without the final resolution of the abduction issue, there cannot be normalization of relations between Japan and North Korea, and without normalization of relations there cannot be full-fledged economic cooperation by Japan.

But we shall continue with our efforts to engage in dialogue in cooperation and coordination with the other countries concerned, so that we shall somehow move in a better direction.

Q Mr. Prime Minister, how much do you think Japan is representing the interests of other Asian countries at G8, and do you think it's better to bring in other countries such as China to the G8, or is it better to meet them outside the G8 meetings?

PRIME MINISTER KOIZUMI: G8 does not think of G8's interests alone. The economic growth of the world, reduction of poverty and also security and counterterrorism, there are many things that the G8 does contribute to the world. For the development of the world, what can the G8 can do? That is what the G8 summit works on. And of course, Japan thinks about Asia. Japan of course has also been promoting very close economic cooperation with China, South Korean and ASEAN. We have a deeper mutual interdependence.

We also discussed Africa this time. Japan's support for Asia, we hope Africa will learn from that effort that Japan has been making. Now, we are planning on holding an Asia-Africa trade and investment conference in Tokyo this coming autumn, so we are not – and G8 do not think only about the problems of G8, we think about Asia's and Africa's problems and the world's problems.

And we, as developed countries, are thinking what we can respectively do and what we together can do. And we intend to discharge our responsibilities. That is what G8 is. And as a member of Asia, but as a member of G8 of course we wish to discharge

our own responsibilities – always paying attention to not just Asia, but to the entire world as well.

This concludes the press conference. Thank you very much for attending.

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7:55 P.M. EDT