



**Speech delivered by Yuriko Koike
upon announcing candidacy
for the presidential election
of the Liberal Democratic Party of Japan**

I, Yuriko Koike, hereby announce my candidacy for the presidential election of the Liberal Democratic Party, a party with history and tradition that lifted Japan out of the postwar period into the world's second-largest economic power.

My presence here today is better evidence than any of the evolution of the Liberal Democratic Party. I thank my colleagues deeply.

A new history for the Liberal Democratic Party is beginning. It is a moment at which the LDP has 'transcended' the LDP.

Today is the 11th of September. Since the multiple terrorist attacks in the United States seven years ago, the international fight against terror has progressed. Japan contributes through international organizations and continues its refueling support in the Indian Ocean. Within Afghanistan, the caring staff of non-government organizations have made invaluable contributions to reconstruction efforts. Only days ago, the killing of Mr. Kazuya Ito of Peshawar-kai Association was a great shock. We extend our deep condolences to Mr. Ito and his family.

Countries all over the world proceed with anti-terror activities through international cooperation. Meanwhile, we are faced with the reality of confrontation with the Democratic Party of Japan, which holds our refueling activities in the Indian Ocean to be unconstitutional. Surely we cannot hand over administration to the antagonistic DPJ, which opposes everything without clearly indicating a concrete role for Japan.

Today the world is moving at a tremendous pace. Just as the Cold War between East and West came to a conclusion refocusing attention on the gap between North and South, new Europe and the newly emerging nations have appeared in succession. The division between countries with resources and those without is again becoming stark.

The steep rise and volatile fluctuations in oil prices and chaos in food markets indicates the greatest disturbance in the world's social foundations since the Industrial Revolution. Needless to say, our nation is not blessed with oil resources. In 1973, in the middle of the fourth Arab-Israeli war, triggering the first oil shock, I was at the epicenter in the Middle East. I felt keenly Japan's vulnerability as a nation poor in oil resources. On the other hand, the second oil shock of the 1970s stimulated Japan's energy-conserving technology, the mainstay of Japan's economy today.

Japan today is facing a third oil shock, and let us be aware that Japan is right in the centre of a world food crisis. Let us realize as a nation that we face a national crisis. Let us develop the progress of structural reform, and boldly proceed towards converting to alternative sources of energy, together with countermeasures against global warming. We shall steadfastly promote emergency measures towards the chaos caused by the steep rise in oil prices. However, let us boldly proceed with a clear vision of creating a sustainable Japan for the long-term future, not only economic policies fit for times of stability. It is only this that can guarantee Japan's security.

In today's Japan there are vast amounts of untapped potential strengths: the strength of regional Japan, economic strength, environmental strength, diplomatic strength, and the strength of women. To not make full use of these, is this not a waste?

The Japanese women's softball team who clawed back the gold medal at the Beijing Olympics taught me never to give up on victory until the last, even if you suffer a defeat.

There are some, like the Japanese athletes participating in the Paralympics right now who, despite their disabilities, train assiduously and excite the crowds. There is the power of a grandmother in Tokushima Prefecture who makes use of computers in her leaf business. To not fully capitalize on such wonderful strengths of the Japanese people, is this not a waste?

We must strategically engage in reform as the basis of mobilizing Japan's wasted and underutilized strengths.

Since the commencement of yesterday's presidential election, I believe the debate over economic and fiscal management has already ended. There is not one candidate who advocates raising taxes.

That is a relief.

There is not one candidate who advocates issuing government bonds to cover debt.

That is a relief.

Almost all candidates also concur on a reduction in the number of members of Parliament.

That is a relief. To this end, amalgamating the House of Representatives and House of Councillors into a unicameral system is one option.

My assertion that there is work to be done before raising taxes has become a unified aspiration of the party as a result of the policy of increasing tax revenues through growth rather than fiscal restructuring or cuts to expenditure. This being the case, let us move onto the next theme.

Three years from today, September the 11th, the LDP recorded a historical overwhelming victory in the House of Representatives election. Today, there are matters that the LDP must make clear. Are we to further advance along the path of the Koizumi structural reforms or are we to backtrack?

I pledge to progress and develop the Koizumi structural reforms.

And so, I would like to again call upon members of the LDP throughout the country.

Are we to put a stop to postal privatization? Are we to give up on returning to citizens the profits gained through the postal privatization share issuance?

Many people say there is pain in the reforms.

However, what would happen if we were to abandon progress and development at present?

Rather, it is precisely now that we must maintain our progress.

The people unanimously believe that there is waste in administration. They believe that the waste in administration cannot be reduced through the initiative of the bureaucracy. That is why they are considering giving the DPJ a turn at the helm.

Within the LDP, there are many who say we should cooperate with the bureaucrats in Kasumi-ga-seki. Amongst the people, who are tuned in to this, there is a feeling that the LDP cannot, therefore, break free from bureaucratic-led government.

Therefore, I wish to ask you all. Is the LDP the party of bureaucratic-led government? Or is it the party of political initiative? By all means, shall we not settle this through the presidential election?

If we tarry, the people will pass judgment on us.

I shall press on and develop the administrative reforms undertaken by Minister for Administrative Reform Watanabe. Until now, I have been Minister for the Environment and Defense Minister, and I have experience in administration as Special Adviser to the Prime Minister. As you are aware, I have made important decisions on personnel affairs regarding administrative vice-ministers. I have heard voices such as “Koike’s lost her head”

and “just as we thought, women are no good”, yet I have acted decisively.

At the same time, I have experienced the reality of obstruction by the thick and high wall of the top-down administration in the government offices of Kasumi-ga-seki.

Most of all, through the obstruction of top-down administration within the Ministry, I was left with no choice but to reduce subsidies towards measures for solar energy generation, which has gained attention throughout the world as a developing industry. This was disappointing. In the meantime, we have lost our place to Germany as the world leader in the solar energy industry. It was precisely that moment that I thought, if only I could stand at the top of the administration and let my leadership be felt.

The reason that comprehensive strategy cannot develop in environmental policy, security strategy, and also consumer policy, is the evil of top-down administration. We must construct a strong enabling framework for government led by the representatives of the people.

Prime Minister Koizumi declared that he would destroy the LDP and indeed it was almost destroyed. And so, today, if the LDP does not fulfill the role of ‘transcending’ the LDP, the meaning of the LDP’s very existence will be questioned.

Now it is the turn of the bureaucracy in Kasumi-ga-seki to be destroyed. I shall destroy both politics and administration, and take responsibility for building the shape of a new Japan. This is creative destruction, and it is precisely this that will be the foundation of a new Japan.

I shall appoint to Prime Minister and Cabinet a National Strategy Staff of about 100 persons to outline and execute a true national strategy not of a type characterized by daily remedial measures, and I shall conduct policy planning through political initiative.

Through the establishment of a Cabinet Personnel Affairs Bureau combining the functions of the National Personnel Authority, the Ministry of Internal Affairs and Communications, and the Ministry of Finance, I shall carry out personnel affairs through political initiative. For budget review, to reduce administrative waste, I shall establish a Cabinet Budget Bureau to shift to implementation of strategy through political initiative, from the aspect of the budget.

Of course, I shall prohibit the practice of retiring high-ranking government officials taking up employment in private and semi-private corporations, and thoroughly eliminate bureaucratic waste.

It is a bold reform, but if there arose a situation in which the administration changed hands, all that would happen is the DPJ’s policy of placing about 100 politicians into government. However, without support staff, even with 100 politicians (without support staff),

government will merely stagnate and fragment. This would merely deaden the motivation of those with noble intentions employed as civil servants.

Shall we not show resolve?

The resolve of those who nominated me is already hardening.

North Korea's posture is also a concern. I shall definitely secure a resolution to the abductees problem.

Since the sub prime loan problem arose, we cannot take our eyes off the condition of finance.

Social Security reform is also a pressing matter.

This presidential election began upon the sudden resignation of Prime Minister Fukuda.

As well as first apologizing to the people for this confusion, to those amongst the people who may believe that we are causing a commotion over the presidential election to benefit the Party in a general election, I declare: "This is not so!"

This LDP presidential election will decide the direction of tomorrow's Japan. Shall we establish true political initiative? Or shall we continue with business as usual?

The situation Japan finds itself in today is not a time for standing paralyzed, much less retreating. Until only yesterday, Japan was an economic superpower at the height of its powers, but Japan's vigor is slowly receding. The moment the world thinks of us as having stopped progressing, our nation will become a mere island country in the Far East, a Galapagos Islands. We shall become an island country to which nobody looks back, but simply passes by.

In Japan today, inward-looking conflict is emerging and various fissures have appeared: between city and country, between standard and nonstandard employment, and between ruling and opposition parties. A trend has begun of looking inwards and decline. Left behind by the world's dynamism, the Japanese nation will be a closed society, a closed-shuttered street.

The greatest mission of the Prime Minister of Japan is to face this situation and call for unity among the Japanese people. To continue a sustainable Japanese society in the future we must fundamentally reform this nation and make maximum use of its untapped strengths. Outlining a strategy for this is precisely the politician's charge.

"While firmly defending that which needs to be defended, such as the family bond, community solidarity, and tradition and culture, I shall have courage and change the things that need to be changed!"

This is the policy and conviction that I have consistently held since election to the House of

Councillors in 1992. Administrative reform and political reform always come as a set. I have not once changed my policy, my conviction. The path of a woman is a one-way street.

Let us say that there are some who are concerned: “What can she do?” Yet, as I stand here, just as I have been before — flexible at times, robust at times, making necessary decisions quickly — I am resolved to pull this wonderful country Japan forward, to become a nation that shines again.

I will do it right.

Best wishes to you all.