



THE MAUREEN AND MIKE MANSFIELD FOUNDATION
Advancing Understanding and Cooperation in U.S.-Asia Relations

Emerging from a Lost Decade – Japanese Financial System Reforms and Policy Implications for the United States **April 7, 2005**

Charles D. Lake II, Aflac Japan's vice chairman and representative in Japan, was the featured speaker at this CAP luncheon, held in the U.S. Capitol for invited members of Congress, U.S. senators, corporate leaders and Congressional staff. The Montana Congressional delegation? Senators Max Baucus and Conrad Burns, and Congressman Dennis Rehberg? served as co-hosts with the Mansfield Foundation. Among the participants were Senator Jeff Bingaman, Congressman Jim McCrery and former Speaker of the House and U.S. Ambassador to Japan Thomas S. Foley, who is chair of the Foundation Board.

In his presentation, Mr. Lake spoke of the dramatic changes currently taking place in Japan as it emerges from a decade-long economic downturn. He identified three catalysts for reform:

- "lost decade"
- globalization and technology innovation
- Japan's aging population and declining birthrate

In particular, Japan's declining population and aging society pose serious structural challenges.

Mr. Lake then spoke about Prime Minister Koizumi's reform program that is promoting self-accountability and changing the relationship between the Japanese government and its citizens as well as between the government and corporate sector. In particular, Mr. Lake addressed the political and economic implications of the proposed privatization of Japan's Post, including the privatization of Japan Postal Life Insurance and Japan Postal Savings. He concluded with a reminder of the importance of the U.S.-Japan relationship. Japan remains a critical economic partner for the United States as well as a strong ally in Asia and the Middle East.