Thank you all very much. I appreciate that introduction, and your kind invitation to Tokyo and to the American Chamber of Commerce. Yesterday and today, I've been getting my very first look at Japan and also my first taste of Japanese hospitality. I'm very grateful for both. I count it a real honor to be here representing the people of Texas.

I seem to recall from my history that another American by the name of Perry came to Japan in the 19th century, right out there in Tokyo Bay. Of course it wasn't a smooth introduction for Commodore Perry, and at first he was actually told to sail right on back to where he came from. But now it's another time, and another Perry. And though we're meeting for the first time, it doesn't feel like we're strangers.

No matter how many hours that flight is across the Pacific, any American who visits Japan can feel that he is among friends. One of the traits I most admire in Japanese culture is the virtue of modesty, and I admit that it's not a quality always associated with Texas. We're just so proud of our state...just as Japan now beams with pride about the success of Kei Nishikori. And you'll find some of the world's best businesses in our state, for example a great Texas enterprise called Toyota USA and another one called Mitsui & Company USA.

So you see my point about Texas: it's hard to be modest when you've got the best of everything. I don't mind admitting that one reason Texas is doing so well today is that our state is a welcoming place. To anyone with ideas and talent, looking for a smart location to invest and build, we say come right on in. We're open to the world. People like what they see in Texas, and that includes quite a few men and women from Japan who are doing business in our state. Just in the City of Houston, Japanese enterprise has such a presence that the local business journal has described it this way: "it's the spirit of the cowboy meeting the spirit of the samurai." That sounds like a pretty formidable combination, and it is.

We're proud to have companies from Japan and from so many other countries. And in a big state filled with opportunity, there's plenty of room for more. Our economy in Texas is thriving today because of this open and optimistic attitude, and also because we made a few fundamental choices in policy, all of which can be summed up in the word respect. Instead of taking private enterprise for granted, as government can so easily do, in Texas we respect private enterprise and the freedom that it needs. We respect work, which in practice should mean that government doesn't tax wages too much, or tax companies so much that they quit hiring people. And finally, in my state, we've...
learned to respect the facts of economic life, including this fact: capital moves, and it tends to go, where it is most welcome.

Among the fifty states, other governors and legislatures have made their own choices. I hear a lot about these choices, usually from executives, managers and workers who used to live in various other states before they came to Texas. Mind you, I'm talking about parts of America where those people and companies had no other reason to leave, places with beautiful coastlines, mountains, and great weather. And yet they've been leaving for Texas anyway. It just came to the point where their state government was demanding too much of them, having lost that basic respect for private enterprise. It's a free country and off they went. The decision to look elsewhere was theirs, the decision to make Texas the logical next stop was ours.

Texas is not a country, although we haven't forgotten that we used to be. And if we were a nation today, Texas would have the world's twelfth-largest economy.

For every democratic country that has actual choices in these matters, the options are really much the same. Whether it's Europe, Asia, the Americas, or anywhere else, the same broad principles are going to hold true. The more a nation respects both labor and capital, the more it will prosper over time. The more secure a country is in the rule of law, with equally clear limits on the power of the state, the better off its people will be in so many ways.

Some workings of the market are simple to understand, and this is one of them: There are always governments that act as if they can overtax, overregulate and just generally interfere in business and employment without inviting bad consequences. I can think of an example or two in Europe today - countries where the folks in power keep imposing more taxes and more regulations, when what they obviously need is less of both. The United States, in the modern era, has veered a time or two in the direction of ever-larger government and more restrictions on enterprise. But if you study our periods of greatest economic growth, they pretty much track the periods of greatest economic freedom. And that's a purely non-partisan observation, applying as much to the dynamic years of the early 1960s as to the 1980s. What worked in the economic policies of John F. Kennedy worked just as dramatically in the policies of Ronald Reagan.

Japan over the decades has set its own examples for others to follow, though it would be hard to find any exact comparison to modern Japan's five-trillion-dollar economy. How many other societies have ever achieved so much, so fast? And, of course, this year finds Japan's leaders well along on a new path of reform, aiming to lift this economy up to its full potential. Not 24 hours after first stepping foot in Japan, I wouldn't presume to educate anyone here about “Abe-nomics” and its particulars. Let's just say that I appreciate and admire the efforts of the Prime Minister and his government to promote growth and more jobs for the Japanese people. All that I have heard makes me very hopeful about the direction of reform here speaking as a well-wisher of Japan and as a believer in economic freedom.

And reform, as it unfolds, couldn't come at a better time for Japan in its enduring partnership with the United States. That partnership is today as
crucial as ever. Both our nations have dealt in recent years with our share of adversity, and not all of the difficulties are behind us. So it's all the more important to keep our eye on the fundamentals of growth and trade. We're talking about two economies that together account for about one third of world domestic product, with a yearly 300 billion or so dollars worth of trade just between us.

Measured by their combined economic potential, you're not going to find two allied nations as essential to one another as the United States and Japan...in the progress we can make and the good influence we can have. Here, too, so much depends on the choices we make in policy. And right now with the Trans-Pacific Partnership we're facing one of the defining opportunities of this generation. The Japanese government is in pursuit of a TPP agreement. The American government is in pursuit of the same. On both sides, it's clear to see the enormous benefits when some of the most productive economies on earth have access to each other's markets.

It all sounds like a pretty straightforward proposition, with so much value across the Asia-Pacific region. With so many obvious advantages, what could stand in the way? Naturally, trade negotiations can be complicated in the details. When you're trying to bring twelve nations together in an accord, with all the bilateral agreements that go with it, things can get delayed or sidetracked forever. And with so much on the line for each nation involved - from Chile to Canada, from Mexico to Australia - we cannot afford to let this opportunity slip from our hands.

Without getting into the domestic politics of your country or mine, here's how I view the challenge of concluding TPP. We should not allow any secondary interest to interfere with the primary interest we share in broader, freer trade. Whether the question is access to specific markets, or the procedures for gaining final approval of an agreement, these can be readily addressed if we have the right attitude. The right attitude is to stay focused on all that we stand to gain if we act: in growth, job creation, the environment, and intellectual property rights, just to start with.

Everybody involved understands that this is the right direction to go. And if we don't get there, all concerned will feel the loss. The same twelve nations would end up making another try, starting all over again from zero. The TPP sets high standards, and who would want it any other way? It's going to take some effort and compromise to reach them, and all of that effort will be worth it. No narrow advantage that any nation might want to protect can possibly compare with the vast and shared advantages that come to nations trading freely. This is a test of leadership, and leaders in your country and mine need to make this happen.

As the two largest economies in the TPP, Japan and the United States have a singular responsibility here. When we carry it out, as I believe we will, this vital partnership of ours will be that much stronger. And looking ahead to our common future, there is even more that our two nations can gain together, especially when it comes to energy. It's not by chance that so many Japanese concerns are involved in shale-gas production in Texas and other states.

http://governor.state.tx.us/news/speech/20105/
Japan has seen a major redirection in its sources of energy since the earthquake of 2011. With 42 nuclear plants now closed and liquid natural gas as Japan's new fuel of choice, the challenge is to get it from as secure and reliable a source as possible.

And it won't surprise you that I have a few ideas on that score.

We in the United States didn't really expect to be in the position as a major LNG supplier to the world. As a matter of fact, not so long ago we were building terminals designed for importing that fuel from foreign tankers. It worked out a little differently, thanks to developments in shale production, and now we're starting to repurpose those terminals for LNG export.

For years in America, we've talked and talked about the goal of energy security, about reducing our reliance on sources either unstable or hostile. Now, suddenly, that objective is actually in sight. That's welcome news for us, but not only for us. Consider the position of Japan. Just about the last thing this or any country needs is to depend on foreign governments that use energy as a strategic lever, manipulating supplies to suit their own designs. If Japan is going to rely, as it must for now, for 90 percent of its energy on outside sources, then two criteria will make all the difference. That energy has to be cheap and abundant. And those sources have to be secure, stable, and friendly. America, in short, is right now building up the energy arsenal of the twenty-first century. It is freeing us from years of reliance on foreign suppliers and powers that do not always wish us well. And that energy arsenal offers more freedom here as well in a region and a security environment that need a strong and prosperous Japan.

All of this, if we manage it well, will give new strength to the security architecture of this whole region. And as we put that strength to use, as a common force for good in this world, let's remember this: like all the truest alliances, it's more than geopolitics that bring us together, more than economic interest, and more than mutual advantage.

We are not just partners by necessity, Japan and the United States; we are joined by conviction in an alliance of values. It is the shared experience of generations that holds it all together - our shared beliefs in democratic institutions, the rule of law, and the right of free and independent nations to live in peace. There's a reason why America's ambassadors to Japan, including the current one, tend to be better known than others in our diplomatic corps. In the decades before Ambassador Kennedy, they included names like Mansfield, Mondale, Baker, and Foley. We send able and distinguished Americans to represent us in Tokyo, to convey the importance of this partnership, our high regard for this country and our affinity for the people of Japan.

For generations now, the United States has been a Pacific power, drawn here by history and by the firmest commitments to our democratic friends. So many hopeful things have come to pass here, with many millions living in peace and freedom. And so many troubles have been avoided, all because Japan and the United States have stood together. Building this partnership has
been the work of decades. The work of maintaining it will always deserve the
best that our leaders can give, and never anything less.

Thank you all very much.