



**US-Japan Relations:
Strategic Alignment**

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Benefiting from a window of political stability, the Abe government continued to focus on the twin pillars of economic strategy and defense policy reform. Bilateral engagement on security, trade, and regional and global issues informed the agenda for the prime minister's official visit to Washington in late April, the first by a Japanese leader in nine years. Abe also became the first Japanese leader to address a joint session of Congress and relayed the main themes from his summit with President Obama by reflecting on the 70th anniversary of the end of World War II, celebrating the evolution of the US-Japan alliance, and outlining a strategic vision for the future.

Abe's domestic agenda

Fresh off a snap election victory in December 2014 that secured his political footing, Prime Minister Abe Shinzo entered a new year committed to pressing forth with his domestic policy agenda centered on economic revitalization and defense policy reform. His Cabinet approved a \$29 billion supplemental budget to stimulate the economy and offset some of the pain associated with a consumption tax increase that went into effect last fall. This was soon followed by a record-high \$814 billion draft budget blueprint for fiscal year 2015 that included a 2 percent increase in defense spending year-on-year consistent with his emphasis on acquiring new defense capabilities and expanding opportunities for security cooperation with the United States and other partners. The Diet approved a roughly \$810 billion budget in April, signifying that fiscal spending, one of the three "arrows" of Abe's growth plan known as "Abenomics," would remain a fixture going forward. Monetary easing measures, another of the policy arrows, also remained in place and Abe also introduced policies under the third arrow of structural reform such as a labor reform bill encouraging increased overtime pay, paid leave, and performance-based evaluation systems. Agricultural reform was also featured in an agreement with the Central Union of Agricultural Cooperatives (JA-Zenchu) to encourage competition by stripping the union of its power to audit and supervise local cooperatives. A downturn in consumer spending forced the government to revise its annualized growth projection for the fourth quarter of 2014 from 2.2 percent to 1.5 percent, which the government also introduced as the growth forecast for the coming fiscal year. Analysts generally consider structural reform the key to sustainable growth in Japan and Abe sought to reassure audiences at home and abroad of his commitment to reform, especially during a visit to the US in April.

Defense policy also took center stage as the ruling Liberal Democratic Party (LDP) and junior coalition partner Komeito began deliberations on requisite legislation for reform measures including Abe's decision in July 2014 to reinterpret the constitution and exercise the right of collective self-defense, or come to the aid of allies under attack. The two political parties

released a joint statement in March that outlined a broad agreement for a legislative package including the general conditions under which Japan might exercise collective self-defense ranging from direct threats to Japan's survival to activities that threaten the Japanese people's right to life and liberty as prescribed in the Japanese constitution. The agreement also included other measures such as expanded participation in peacekeeping operations and logistics support for foreign militaries operating under UN resolutions. The details would be subject to additional consultations prior to formal submission of legislation for parliamentary debate in late spring. Liberal Democratic Party (LDP) Vice President Komura Masahiko visited Washington at the end of March and met Defense Secretary Ash Carter and other officials to provide an update on this process. Komura also explained the government's decision to reinterpret the constitution in an address to the Center for Strategic and International Studies that underscored Japan's interest in expanding security cooperation with the United States and other countries in the Asia Pacific region. Prime Minister Abe and President Obama would later emphasize this theme during a summit in Washington designed to reaffirm the vitality of the US-Japan alliance.

Teeing up the alliance agenda

This period was marked by extensive bilateral diplomacy to facilitate coordination on central themes in the alliance. Bilateral trade talks linked to the Trans-Pacific Partnership (TPP) took place regularly in both capitals, culminating in a meeting between the chief negotiators, US Trade Representative Michael Froman and Minister for Economic and Fiscal Policy Amari Akira, in Tokyo in April to try to reach the finish line. Those talks did not produce an agreement due to market access issues in the agricultural and automobile sectors, but the introduction of Trade Promotion Authority (TPA) legislation in the Congress, widely considered a symbol of US resolve in Japan, generated some optimism about the prospects for a breakthrough on trade in the near future. Deputy Secretary of State Antony Blinken visited Tokyo in February for consultations with senior Japanese government officials and delivered a public address outlining US economic policy in the Asia-Pacific region. In April, Blinken hosted his counterparts from Japan and South Korea in Washington for trilateral consultations on North Korea that were preceded by working level meetings in Japan focused on North Korea policy. Defense Secretary Ash Carter also visited Japan for discussions on the US strategic rebalance to Asia and Japan's defense policy reforms in advance of a bilateral Security Consultative Committee on April 27, where the two governments released new guidelines for US-Japan defense cooperation and a joint statement outlining key bilateral, regional and global objectives. Bilateral dialogue on issues including development and education, the core theme of First Lady Michelle Obama's visit to Japan in March, also revealed a shared interest in promoting cooperation on global issues as another strategic pillar of alliance cooperation.

These interactions helped shape the agenda for Prime Minister Abe's official visit to Washington in late April centered on joint leadership in maintaining security and prosperity in a regional and global context. The 70th anniversary of the end of World War II also served as an important backdrop for the summit where Prime Minister Abe and President Obama would reflect on the tragedies of the past, celebrate the remarkable evolution of the US-Japan alliance, and outline a strategic framework for the future.

The Abe-Obama summit

President Obama hosted Prime Minister Abe at the White House on April 28 for an official visit, the first by a Japanese leader in nine years. The summit was anchored by four main themes: security cooperation, TPP, cooperation on global issues, and history.

With respect to security, the two leaders endorsed the new bilateral guidelines for defense cooperation meant to update alliance roles and missions in response to changes in the security environment. The new guidelines are meant to impact security cooperation in three ways. First, the guidelines stipulate that the two governments will stand up an Alliance Coordination Mechanism to enhance policy and operational coordination related to activities conducted by the two militaries from peacetime to contingencies. Second, the guidelines build on the Abe government's decision to allow Japan's Self-Defense Forces (SDF) to exercise collective self-defense and broaden the scope of functional cooperation to include a range of areas such as intelligence, surveillance and reconnaissance, air and missile defense, maritime security, space and cyber, peacekeeping operations, partner capacity building, humanitarian assistance and disaster relief, and noncombatant evacuation operations. Third, the guidelines also are intended to deepen bilateral security cooperation by further integrating the operations of Japan's Self-Defense Forces (SDF) and the US military and enhancing coordination with third countries.

Though details regarding SDF operations will be reflected in legislation subject to parliamentary debate later this year, the new guidelines reflect provisions in the legislative framework on collective self-defense developed by the LDP and Komeito, namely the ability of the SDF to respond not only to an armed attack against Japan but also an armed attack against a foreign country that is in a close relationship with Japan if it threatens Japan's survival and the Japanese people's right to life, liberty, and the pursuit of happiness as prescribed in the Japanese constitution. Possible examples of SDF operations referenced in the guidelines include asset protection (during noncombatant evacuation operations, for example), search and rescue, maritime operations (minesweeping; escort operations; interdiction), intercepting ballistic missiles and logistics support. The guidelines also emphasize joint research, development and production of defense equipment to reflect the Abe government's decision last year to relax restrictions on arms exports with the potential to enhance economic efficiency and interoperability between the two militaries, an important capability in the context of strengthening deterrence.

Though unable to showcase a bilateral agreement on trade, the two leaders issued a joint vision statement for the alliance including a shared commitment to regional economic prosperity based on efforts to promote high standards for trade and investment through TPP. The statement welcomed "significant progress" in bilateral trade negotiations linked to the broader agreement and reiterated a commitment to bring negotiations with the other parties to a successful conclusion. During a joint press conference President Obama and Prime Minister Abe reiterated the economic and strategic significance of TPP in terms of shaping the rules and norms that would govern economic activity in the Asia-Pacific region. President Obama also referenced the politics of trade, and while his increased advocacy for TPP in the weeks prior to the summit and the introduction of TPA legislation in Congress appeared to generate momentum on trade inside the Beltway, the prospects for seeing this project through remained murky in the face of

sensitivities in both political parties. Prime Minister Abe reassured official Washington of his commitment to TPP in a joint address to Congress the next day but did not indicate how quickly the bilateral negotiations might progress.

In addition to reaffirming a shared commitment to security and economic cooperation, the joint vision statement issued by the two governments also emphasized cooperation on global issues such as climate change, energy security, sustainable development, global health, disaster relief, human rights, girls education and women's empowerment. A separate fact sheet issued at the summit also listed initiatives on bilateral and people-to-people ties, science and technology, space, cyber, energy, maritime security, UN peacekeeping, development cooperation, and countering terrorism and violent extremism. The two governments also released a statement on nuclear security in conjunction with the Nuclear Nonproliferation Treaty Review Conference in New York and committed to strengthening the treaty's three pillars of nuclear disarmament, nuclear nonproliferation, and the peaceful use of nuclear energy. All of this was meant to demonstrate a shared commitment to promoting globally recognized rules and norms and strengthening regional and global institutions.

The joint vision statement also referenced the 70th anniversary of the end of World War II and stated that the US-Japan relationship is a model of the power of reconciliation as one-time adversaries were able to develop an alliance based on shared values and common interests. President Obama accompanied Prime Minister Abe to the Lincoln Memorial on April 27 and Abe also visited Arlington National Cemetery, the Holocaust Museum, and the World War II Memorial to reflect on the past. On April 29, Abe became the first Japanese leader to address a joint session of Congress and used a new phrase – “deep repentance” – to express his sentiments while reflecting on the war at the World War II Memorial. Abe then expressed his condolences to Americans who lost their lives during the war before addressing key issues in US-Japan relations and his vision for the alliance.

The speech was well received in Congress but criticized by some US veterans' groups and was denounced by Korean Americans who called on Abe to issue an apology to Korean “comfort women” forced to provide sexual services to Japanese soldiers during the war. Abe was asked about this issue during his joint press conference with President Obama on April 28 and said he was “deeply pained to think about the comfort women who experienced immeasurable pain and suffering as a result of victimization due to human trafficking.” (He used similar language when asked about this issue during a speech at Harvard University on April 27.) Abe used new language when reflecting on this issue and in his congressional speech stressed the importance of preventing human rights abuses against women in the context of Japan taking responsibility for peace and stability in the world. His treatment of history generally met expectations in the US but not in South Korea or China, where calls for a renewed apology for wartime transgressions will likely intensify ahead of the 70th anniversary of the end of the war on Aug. 15.

Overall, Abe's visit to Washington was important for US-Japan relations and set the tone for this anniversary year in reflecting on the past and celebrating the remarkable transformation of the bilateral alliance. The failure to conclude bilateral trade negotiations notwithstanding, the summit demonstrated how the two governments are aligned strategically and therefore well

positioned to shape the contours of security and prosperity in Asia and continue upholding rules and norms that govern the international system.

The months ahead

The Abe government will focus intently on steering security legislation through the Diet while also highlighting the economic agenda with strategies on energy security, fiscal consolidation and climate change expected mid-year. The Obama administration for its part will be consumed with the congressional debate on trade, the outcome of which could dictate the timing of a bilateral trade agreement that would jumpstart the broader TPP negotiations. Multilateral coordination on regional and global issues will be on display at the Shangri-La Dialogue and G-7 Summit, respectively. And history will come to the fore once again on Aug. 15 when the Abe government issues a statement on the 70th anniversary of the end of the war.

Chronology of US-Japan relations

January – April 2015

Jan. 9, 2015: Abe Cabinet approves a ¥3.5 trillion (\$29 billion) supplementary budget for Japan Fiscal Year 2014.

Jan. 13, 2015: NHK poll finds a 50 percent public approval rating for the Abe Cabinet.

Jan. 14, 2015: Abe Cabinet approves a record-high budget for fiscal year 2015 totaling ¥96.3 trillion (approx. \$814 billion). The defense budget also reached a record high of ¥4.98 trillion, a 2 percent increase year-on-year and the third annual increase in a row.

Jan. 26, 2015: Members of the US Marines and Japan's Ground Self-Defense Forces begin the annual bilateral training exercise *Iron Fist*, to include amphibious operations, at Camp Pendleton in Southern California.

Jan. 27, 2015: United States Trade Representative Ambassador Michael Froman testifies before the Senate Finance Committee and House Ways and Means Committee on US trade policy.

Jan. 28, 2015: Sung Kim, US special envoy for North Korea policy, Ihara Junichi, director general for Asian and Oceanian affairs, Japan Ministry of Foreign Affairs, and Hwang Joon-kook, South Korean special representative for peace and security on the Korean Peninsula, meet in Tokyo to discuss North Korea policy.

Jan. 29-30, 2015: Under Secretary of State for Political Affairs Wendy Sherman visits Tokyo to discuss a range of bilateral, regional, and global issues with senior Japanese government officials and political figures.

Feb. 2-3, 2015: Acting Deputy US Trade Representative Wendy Cutler and Chief Agricultural Negotiator Darci Vetter host Ambassador Oe Hiroshi and Ministry of Agriculture, Finance and Fisheries Director General Osawa Makoto to discuss market access issues related to the Trans-Pacific Partnership. Cutler also meets Ambassador Mori Takeo regarding motor vehicle trade.

Feb. 3, 2015: Government of Japan's supplemental budget for JFY 2014 is approved by the Diet.

Feb. 6, 2015: National Security Adviser Susan Rice announces in a speech that Prime Minister Abe Shinzo would be invited to Washington for an official visit within the year.

Feb. 9, 2015: The Central Union of Agricultural Cooperatives in Japan (JA-Zenchu) accepts the Abe government's plan to reform agricultural cooperatives, stripping the Central Union's power to audit and supervise local cooperatives.

Feb. 9, 2015: A public opinion survey by *Yomiuri Shimbun* reveals a 58 percent approval rating for the Abe Cabinet and a disapproval rating of 34 percent.

Feb. 10, 2015: Government of Japan revises official development assistance charter to allow funding on a case-by-case basis for non-military activities of another nation's armed forces such as disaster relief.

Feb. 10, 2015: Second Japan-US Development Dialogue is held in Tokyo, Japan focused on global health, women's empowerment, disaster risk reduction, and other issues.

Feb. 12, 2015: Prime Minister Abe delivers a policy speech to the Diet with particular emphasis on the government's economic growth strategy.

Feb. 12, 2015: Government of Japan Economic Outlook predicts Japanese economy will grow 1.5 percent in Fiscal Year 2015.

Feb. 12-14, 2015: Deputy Secretary of State Antony Blinken visits Tokyo to meet senior government officials and deliver an address on US economic policy in the Asia-Pacific region.

Feb. 16, 2015: Government of Japan declares the Japanese economy grew at an annualized rate of 2.2 percent in the fourth quarter of 2014.

Feb. 19, 2015: US congressional delegation led by House Ways and Means Committee Chairman Paul Ryan (R-WI) visits Tokyo and meets Prime Minister Abe, Foreign Minister Kishida, Economic and Fiscal Policy Minister Amari, as well as senior members of the Japanese Diet and business leaders.

Feb. 23-27, 2015: Assistant Secretary of State for Arms Control, Verification and Compliance Frank Rose visits Tokyo to meet Japanese officials on space security, strategic stability, extended deterrence and multilateral arms control.

March 5, 2015: Acting Deputy US Trade Representative Wendy Cutler visits Tokyo to continue bilateral negotiations linked to TPP.

March 9, 2015: Government of Japan revises its estimate for annualized GDP growth in the fourth quarter of 2014 from 2.2 percent to 1.5 percent, citing a decline in consumer spending.

March 9-15, 2015: US hosts a meeting in Hawaii among chief negotiators of the TPP.

March 18-20, 2015: First Lady Michelle Obama visits Japan to promote the Let Girls Learn international girls education initiative.

March 20, 2015: Liberal Democratic Party of Japan (LDP) and coalition partner Komeito reach an agreement on the parameters for implementing legislation based on the Abe government's decision to reinterpret the constitution to exercise collective self-defense.

March 23, 2015: Public opinion survey by *Yomiuri Shimbun* finds 51 percent of the Japanese public supports revising the constitution with 46 percent opposed. Forty percent said Article 9 of the constitution should not be revised but could be reinterpreted if necessary.

March 23, 2015: Acting Deputy US Trade Representative Wendy Cutler hosts Ambassador Mori Takeo for bilateral trade talks in Washington.

March 26-27, 2015: LDP Vice President Komura Masahiko meets Defense Secretary Ash Carter in Washington and delivers an address on Japanese security policy at the Center for Strategic and International Studies (CSIS).

April 3, 2015: The Abe government submits a labor reform bill to the Diet addressing such issues as increased overtime pay, paid leave, and performance-based evaluation systems.

April 3-8, 2015: Assistant Secretary of State for Economic and Business Affairs Charles Rivkin visits Japan to discuss the digital economy, trade and global economic cooperation with senior Japanese government officials and business leaders.

April 4-7, 2015: Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel visits Tokyo for consultations with Japanese officials.

April 7, 2015: A public opinion poll on US-Japan relations published by the Pew Research Center finds 75 percent of Japanese and 68 percent of Americans trust the other country.

April 8, 2015: Defense Secretary Carter and Japanese Defense Minister Nakatani Gen meet in Tokyo to discuss the US strategic rebalance and bilateral defense cooperation. Carter also visits Prime Minister Abe and Chief Cabinet Secretary Suga Yoshihide.

April 9, 2015: Japanese Diet approves a record \$810 billion budget for Japan Fiscal Year 2015 including record-high defense spending.

April 9, 2015: Deputy Secretary of State Blinken hosts Japanese Vice Foreign Minister Saiki Akitaka and Republic of Korea Vice Foreign Minister Cho Tae-yong for trilateral consultations in Washington and also meets each of his counterparts bilaterally.

April 14, 2015: Deputy Secretary of State Blinken leads a town hall discussion on the US-Japan relationship at the State Department in Washington.

April 15, 2015: Acting Deputy US Trade Representative Wendy Cutler and Chief Agricultural Negotiator Darci Vetter meet Ambassador Oe Hiroshi and Ambassador Mori Takeo for bilateral trade talks linked to TPP.

April 16, 2015: US Congress introduces Trade Promotion Authority (TPA) legislation to establish rules for international trade negotiations.

April 19-20, 2015: US Trade Representative Ambassador Michael Froman and Minister for Economic and Fiscal Policy Amari Akira meet in Tokyo to discuss bilateral negotiations linked to the Trans-Pacific Partnership (TPP).

April 26, 2015: Prime Minister Abe visits the John F. Kennedy Library in Boston and attends a dinner hosted by US Secretary of State John Kerry.

April 27, 2015: US-Japan Security Consultative Committee convenes in New York and issues new guidelines for bilateral defense cooperation and a joint statement on the US-Japan alliance.

April 27, 2015: Prime Minister Abe visits site of the 2013 Boston Marathon bombing, delivers a speech at Harvard University, and visits the Massachusetts Institute of Technology for an exchange with faculty and researchers. Abe later arrives in Washington, DC, and is accompanied to the Lincoln Memorial by President Obama.

April 28, 2015: President Obama hosts Prime Minister Abe at the White House for a bilateral summit meeting followed by a joint press conference. The two leaders issue a joint vision statement for the US-Japan relationship, a fact sheet on US-Japan cooperation and a joint statement on the Nuclear Nonproliferation Treaty (NPT). Abe also attends a luncheon at the State Department hosted by Vice President Joseph Biden and a State Dinner at the White House.

April 29, 2015: Prime Minister Abe visits the World War II Memorial, addresses a joint session of Congress and attends a roundtable with US business leaders.

April 30, 2015: Prime Minister Abe travels to San Francisco to meet entrepreneurs and venture capitalists and participate in a public forum at Stanford University.

April 30, 2015: A *Kyodo News* survey posts a 52 percent approval rating for the Abe Cabinet. Thirty-five percent of respondents supported the revised guidelines for US-Japan defense cooperation and 47 percent opposed.