The US presidential election was the primary influence affecting US-Japan relations in the fall of 2016. Japan was brought into the spotlight during the campaign with Trump repeatedly criticizing Tokyo for unfair trade practices and free riding in the alliance. The outcome of the election left many Japanese worried about the future of the alliance. Prime Minister Abe quickly reached out to President-elect Trump, arranging a meeting with him in New York on Nov. 18. Beyond the attention given to the election, the LDP and Abe also sought to support the Obama administration by ratifying the Trans-Pacific Partnership and promoting maritime capacity building in Southeast Asia. President Obama and Prime Minister Abe met for the last time in Hawaii on Dec. 27. Uncertainty abounds on the economic and strategic fronts in the coming year, but the biggest unknown for the bilateral relationship will be the new US president and his approach to Asia.
US presidential election

The US presidential election dominated the news in the fall of 2016, even in Tokyo. Democratic nominee Hillary Clinton and Republican nominee Donald Trump squared off in three debates in September and October as momentum built toward the Nov. 8 election. Expectations ran high for Clinton as polls suggested she had a strong lead, but by mid-October there were troubling signs. The hacking of the Clinton campaign’s email accounts and WikiLeaks’ publication of their contents was attributed to Russian sources by US intelligence agencies. Further damage to the Clinton campaign came when FBI Director James Comey announced that new emails from Clinton’s personal server, which she had used while she was secretary of State during the first Obama administration, were being investigated for possible security violations. Meanwhile, polls began to show the Trump campaign making significant inroads in Pennsylvania, Florida, and New Hampshire. On election night, Trump’s surprising wins in Michigan and Wisconsin, longstanding Democratic strongholds, ensured his victory.

Trump secured 306 electoral votes to Clinton’s 232, passing the 270 electoral votes required to win. Clinton conceded overnight, and two days later, the president-elect met President Obama in the White House to organize the transition. The popular vote took time to count, however, and ultimately showed a 2.9 million vote lead for Clinton. But despite protests, the Electoral College met on Dec. 19 to formalize the election of Donald Trump as the 45th US president. In addition, the Republican Party held onto its majorities in the House of Representatives (241 seats to the Democrat’s 194 seats) and Senate (52 seats to the Democrat’s 46 seats), ensuring that Trump will enter office with his party controlling both houses of Congress.

In Tokyo, the Liberal Democratic Party (LDP) pushed forward ratification of the Trans-Pacific Partnership (TPP) trade deal during the fall Diet session in the hope of providing momentum for a possible vote in the lame-duck session of US Congress. Trump’s victory, however, ended hope that TPP would be ratified by the US in the foreseeable future – if ever. Candidate Trump had been clear that he would oppose not only the TPP but also call for a renegotiation of the North American Free Trade Agreement (NAFTA), and that these two items were at the top of his list of things to do during his first 100 days in office. By year’s end, as Trump nominated people for critical trade policy positions, it was clear that the incoming US administration would be taking a far harder line on enforcing existing trade arrangements, and crafting far more protectionist policies toward China.

President-elect Donald Trump

Japan rarely figures prominently in US elections, but the candidacy of Donald Trump in the 2016 presidential election brought Japan back into the spotlight. Trump repeatedly criticized Tokyo for its unfair trade practices and its free riding in the alliance, even going so far as to suggest Tokyo should acquire nuclear weapons and defend itself. These shock waves reverberated across the Pacific leaving many Japanese worried about the future of the alliance should Trump win. With a desire to shake-up the old order, Trump took aim at many of the postwar global institutions and argued that it was time to put “America First.”

Trump’s win was a surprise to many in the US and abroad, and in the immediate aftermath of the election, even the candidate himself seemed stunned at his victory. President Obama and the president-elect met quickly, two days after his electoral win, to set a course for the transition. By year’s end, Trump had nominated personnel for most of his Cabinet posts. His foreign policy team includes Lt.Gen. (ret.) Michael Flynn as national security advisor, Gen. (ret.) James Mattis as secretary of Defense, and ExxonMobil CEO Rex Tillerson for secretary of State. On the economic policy front, Trump tapped former Goldman Sachs partner Steve Mnuchin for secretary of Treasury, billionaire investor Wilbur Ross for secretary of Commerce, and Robert Lighthizer, a Washington lawyer and former trade official for President Reagan, for US trade representative. In addition, he appointed Peter Navarro, his Asia policy advisor for the campaign, to a new position as director of the White House National Trade Council. The incoming administration’s Asia policy remains unclear, but early indications suggest relations with China will define its approach to the region and trade policy is likely to drive early priorities.

Prime Minister Abe quickly reached out to President-elect Trump after the election, arranging a meeting with him in New York on Nov. 18 on his way to the APEC Economic Leaders Meeting in Lima, Peru. Abe had met the Democratic candidate for president, Hillary Clinton, on Sept. 20 during his visit to New York for the UN General Assembly. The Trump-Abe meeting was characterized as a personal meeting, and no government officials participated. After the meeting, Abe told the awaiting press that he was confident he could “build a relationship of trust” with the president-
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Trump repeatedly attacked TPP as a " 
and a "death blow for American manufacturing." After Trump's victory, congressional leaders moved quickly to dispel any hopes that they would buck Trump and back efforts to ratify TPP. On Nov. 9, Senate Majority Leader Mitch McConnell (R-KY) ruled out any consideration of TPP before Trump takes office. The next day, Senate Minority Leader Chuck Schumer (D-NY) told labor leaders at a meeting that the trade deal would not be ratified. By the end of the week, several Obama administration officials had said that they had given up trying to win congressional support for TPP in the lame-duck session, and that the future of the trade deal would be up to Trump and Republican lawmakers. On Nov. 21, Trump released a video saying that he would withdraw the US from TPP on Jan. 20, his first day in office.

TPP's future thus looks dire, yet some still hold out hope for movement on trade under Trump, even if it takes a different form than TPP, given that there was general support for free trade – at least prior to the election – among the public, Republicans, and several of Trump’s proposed Cabinet members. Vice President-elect Mike Pence was an avid proponent of TPP, but switched to opposing the deal in July when he joined the Republican ticket. Rex Tillerson, Trump’s proposed secretary of State, previously heaped praise on TPP as CEO of ExxonMobil. More recently, Trump’s picks to lead the Treasury (Steve Mnuchin) and Commerce (Wilbur Ross) departments have said that the Trump administration will certainly promote trade pacts, but that it will re-focus US negotiations toward completing bilateral agreements, which could include Japan. Ross in particular has deep ties to Japan – he is chairman of the Japan Society in New York and received the Order of the Rising Sun, Gold and Silver Star from the Japanese government in 2014. On Dec. 1, Ross sent a delegation to meet Finance Minister Aso Taro in Tokyo to stress the importance of US-Japan economic cooperation under Trump.

While the US Congress has yet to officially deliberate over TPP, in Japan, Prime Minister Abe made passage of TPP a legislative priority as soon as the extraordinary session of the Diet opened on Sept. 26. The hope of Abe’s Cabinet at the time was that swiftly passing TPP would put pressure on Washington to follow in Tokyo’s footsteps after the November election. Despite the emphasis placed on TPP by the Abe administration, ratification of the trade deal ran into a couple of roadblocks as it moved through the Diet. Abe’s LDP controls a majority of seats in both houses of Parliament, yet the government faced renewed pressure from the opposition Democratic Party (DP), led by Murata Renho following her election as party president on Sept. 15. The DP capitalized in particular on a series of gaffes by LDP lawmakers that suggested the ruling party would use its legislative majorities to "steamroll"
TPP-related bills through the Diet. First, on Sept. 29, LDP Lower House member Fukui Teru resigned as chair of the Lower House Special Committee on TPP after reports came out that he had discussed forcibly holding a vote to pass the trade legislation. Then, on Oct. 18, Agriculture, Forestry, and Fisheries Minister Yamamoto Yuji – who took up the post in Abe’s Cabinet reshuffle last August – joked about “railroading” the bill through the Diet while at a party. In protest, opposition parties walked out of Diet deliberations on TPP on Oct. 20, and later attempted a no-confidence motion against Yamamoto on Nov. 10, though he easily survived the motion with the support of the ruling LDP-Komeito coalition.

Despite the delays caused by opposition resistance to the agreement, TPP did successfully make it out of the special Lower House committee on Nov. 4, and it passed by plenary vote on Nov. 10 with the support of the LDP, Komeito, and Ishin no Kai. The Upper House took up deliberations on Nov. 14, and ultimately ratified TPP on Dec. 9.

Abe’s leadership in securing ratification for TPP in Japan seemed to mean little, however, in the face of Trump’s strong and consistent opposition to the deal. With no sign of life for TPP in the US, discussions are now focused on whether there is any future for the trade agreement. Some argue that the member countries should renegotiate TPP without the US, but many leaders, including Abe, have previously said that TPP is “meaningless” without US participation. Abe has also warned that an impasse on TPP implementation would likely cause Japan to shift its attention toward other regional trade pacts, such as the Japan-China-Korea Free Trade Agreement and the Regional Comprehensive Economic Partnership (RCEP). These deals notably include China, but exclude the US. Proponents of TPP have long warned that failure to ratify the agreement would not only hurt US economic growth, but also cause it to lose market access in the region compared with countries such as China. If TPP cannot be salvaged, it remains to be seen whether China will take up a greater role in establishing norms for Asia-Pacific trade, or if the Trump administration can make sufficient progress on bilateral deals to reassure allies of continued US economic leadership in the region.

Continuing maritime tensions

Asia’s maritime tensions have not abated in the wake of the UNCLOS Tribunal award in July. If anything, increased unease about Chinese intentions in the South China Sea, and particular attention to the growing presence of Chinese military forces in the East China Sea, led to close consultation between US and Japanese military forces.

Japanese policymakers continued to closely monitor Chinese maritime activities in the East China Sea. Chinese military activity in waters south of Japan increased noticeably by the end of the year, with Chinese fighters accompanying bombers out to the Pacific through the Miyako Strait near Okinawa as well as through the Bashi Strait south of Taiwan. China’s Ministry of Defense issued a protest against “aggressive” behavior by Japanese fighters, an accusation Japan’s Chief Cabinet Secretary Suga Yoshihide adamantly denied, saying it was “extremely regrettable and harms improving ties between Japan and China.” On Dec. 25, the Chinese aircraft carrier Liaoning and its accompanying task force passed through the East China Sea and between the Okinawa Islands as it headed toward the Pacific Ocean. The Liaoning then proceeded to the South China Sea where it conducted exercises for the first time with its carrier based F-15 fighters.

Meanwhile, high-level US-Japan consultations on defense and maritime issues continued. Adm. Harry Harris, head of the US Pacific Command (PACOM), stopped in Tokyo in October as part of his tour of US allies in Asia and to attend the inaugural ceremony for Lt. Gen. Jerry Martinez, who took command of US Forces Japan. On Oct. 5, Harris and Defense Minister Inada Tomomi met in Tokyo to discuss US-Japan coordination in the face of escalating North Korea provocations. These discussions continued a week later on Oct. 14, when Gen. Joe Dunford, chairman of the US Joint Chiefs of Staff, hosted a trilateral meeting with Japanese Chief of the Joint Staff Adm. Kawano Katsutoshi and Korean Chief of the Joint Staff Gen. Lee Sun-jin at the Pentagon to discuss a coordinated response to North Korea; Harris also attended. Later in the fall, Secretary of Defense Ash Carter visited Tokyo as part of a worldwide tour, and met Prime Minister Abe and Defense Minister Inada on Dec. 6-7 to further affirm US commitment to stability and security in the Asia-Pacific. A week later, on Dec. 14, Harris said in a speech at the Lowy Institute in Australia that there would be no change in this commitment to the region under President Trump.

Prime Minister Abe also sought to ease tensions between Washington and Manila when he invited Philippine President Rodrigo Duterte to visit Japan on Oct. 26 to discuss maritime cooperation. The visit also
Japan has also continued to build its own maritime capacity. The Abe Cabinet approved a ¥5.05 trillion ($41.4 billion) budget for fiscal year 2017, just shy of the Ministry of Defense’s request. This is the highest defense budget on record, continuing for a fourth year the Abe administration’s emphasis on updating Japan’s defenses. The highlights of this budget include strengthening maritime defenses in the East China Sea, including a more mobile joint force comprised of amphibious landing and helicopter units as well as expanding SDF bases in the offshore Okinawa Islands, such as Miyakojima, Yonaguni, and Anami Oshima. In addition, the prime minister announced yet another year of budget growth for Japan’s Coast Guard, spending ¥210.6 billion ($1.79 billion) for fiscal year 2017. The Japan Coast Guard (JCG) will now dedicate 27 percent of its budget to surveillance of the Senkaku Islands. Another helicopter-capable carrier and large patrol ship are included. By 2020, the total JCG fleet will include 142 ships, up from the current 128. The tensions with China over the East China Sea are expected to continue. Yomiuri Shimbun reported that China has applied to name undersea features near Japan’s exclusive economic zone (EEZ), suggesting a heightened legal contest between Japan and China over rights to develop undersea mineral resources near the outlying Okinawa Islands, which is near the edge of the continental shelf. Even as military activities increase in and around the East and South China Seas, the legal contest over maritime access to resources in Asia continues.

Abe and Obama say farewell

President Barack Obama and Prime Minister Shinzo Abe met for the last time in Hawaii on Dec. 27, 2016. Obama’s support for the US-Japan alliance spanned five Japanese prime ministers, beginning in 2009 when Prime Minister Aso Taro visited Washington, the first leader to meet the newly inaugurated President Obama.

The Obama administration worked through the difficult Japanese political transition later that year, navigating the uncertainty of alliance policy in the first year of the Democratic Party of Japan’s (DPJ) Cabinet. Japan faced two significant national crises during the Obama years. The first was the Great East Japan Earthquake in March 2011. The alliance response, organized as Operation Tomodachi, brought the US and Japanese militaries together to work as first responders in the wake of the earthquake and devastating tsunami as well as to manage the meltdown of reactors at Fukushima Daiichi nuclear plant. The second was the rising tensions between Tokyo and Beijing over the Senkaku Islands. In 2010, a Chinese fishing trawler captain instigated a diplomatic standoff that over two years would ultimately result in a transformed maritime balance around the islands in the East China Sea. President Obama would become the first US president to openly declare that the US-Japan security treaty would be applied should any nation use force against these islands, and his administration worked with both DPJ and LDP Cabinets to revise the bilateral military guidelines to include an Alliance Coordination Mechanism to jointly manage gray-zone contingencies and prevent war.

Perhaps the most memorable contribution of the two leaders, however, has been their focus on reconciliation between the people of the US and Japan. In 2016, the year after the difficult 70th anniversary of the end of World War II in Asia, both visited the traumatic sites of war – Obama visiting Hiroshima in May and Abe visiting Pearl Harbor in December. Survivors of those devastating attacks, now in their late eighties and nineties, sat in the front row as the leaders of the US and Japan paid respect to those who died and marked the incredible journey of transformation from adversaries to allies traveled by generations of Americans and Japanese. As Asia’s geopolitics become increasingly fraught, Obama and Abe also sought to remind others around the region to seek peaceful means of resolving their differences.

Conclusion

The US and Japan are facing an increasingly full agenda of cooperation in the Asia Pacific. Uncertainty abounds, both on the economic and strategic fronts. Perhaps the biggest unknown will be the new US president and his approach to Asia. Abe’s early outreach to President-elect Trump has created an opportunity for high-level discussions on how the US-Japan alliance can navigate the transition process in Washington. US presidential transitions take time and President-elect Trump will for some months be focused on getting his new team in place. Despite the rhetoric and the tweets, the next US president will need to build a relationship with Congress and with the various constituencies that will seek to shape his approach to Asia. A majority Republican Congress provides a considerable boost in support for some of the Trump agenda, but the new administration and Congress will have to feel their way through some of their differences. Already it seems they will take different positions on the US relationship with
Russia. How the US Congress will seek to shape US policy on trade and on the US-PRC relationship remains to be seen.

As a new administration comes into office, however, Asia will not stand still. Several concerns stand out for Tokyo and Washington in the early months of the new year. Tensions between the US and China will likely spill over to affect Japan, and the military activities of the People’s Liberation Army Navy (PLAN) in and around Japan suggest that the potential for military tensions in the East and South China Seas should not be underestimated. Furthermore, Pyongyang as always remains high on the list of potential problems for any new US president. Kim Jong-un has not disappointed; he has announced that his country has an intercontinental ballistic missile (ICBM) capable of hitting the US at the ready. President-elect Trump tweeted that he will not allow Kim to threaten the US, but it remains to be seen how the incoming administration will cope with a provocation from North Korea. A weak government in Seoul, now embroiled in the impeachment of President Park Geun-hye, could complicate a trilateral response. Beijing’s role in response to an ICBM test would likely be harder to gauge given the uncertainty of the Trump administration’s approach to China.

Expect 2017 to be a full year of consultations between Tokyo and Washington. Prime Minister Abe is likely to continue to seek to keep the US close, but also to continue to increase Japan’s efforts at military self-reliance. As Minister of Defense Inada said in a press conference on Nov. 11, the US election “provided the opportunity to think more seriously about what Japan could do on its own to defend itself.” A dialogue on China will be a top priority for the new year, and a renewed discussion on how the US and Japan can lead the economic integration of Asia.
CHRONOLOGY OF US-JAPAN RELATIONS
SEPTEMBER – DECEMBER 2016

Sept. 6, 2016: Japan’s Prime Minister Abe Shinzo meets Philippine President Rodrigo Duterte in Vientiane and agrees to provide two large-sized patrol ships and lend up to five used surveillance aircraft to the Philippines.

Sept. 16, 2016: Naha branch of the Fukuoka High Court rules that Okinawan Gov. Onaga Takeshi’s cancellation of the landfill project for construction of a replacement facility for Futenma was illegal.

Sept. 18, 2016: US Secretary of State John Kerry, Japanese Minister for Foreign Affairs Kishida Fumio, and South Korean Minister of Foreign Affairs Yun Byung-se hold trilateral US-Japan-Korea ministerial meeting on the sidelines of the UN General Assembly (UNGA) in New York.

Sept. 19, 2016: Prime Minister Abe Shinzo and Democratic Presidential Nominee Hillary Clinton meet on the sidelines of the UNGA in New York.

Sept. 20, 2016: Prime Minister Abe and President Obama hold informal talks on the sidelines of the UNGA in New York.

Sept. 21, 2016: Prime Minister Abe and Vice-President Biden meet on the sidelines of the UNGA in New York.

Sept. 27, 2016: Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel testifies before the House Foreign Affairs Committee Subcommittee on Asia and the Pacific on trilateral cooperation between the US, Japan, and South Korea.

Oct. 5-6, 2016: Adm. Harry Harris, head of the US Pacific Command, visits Japan and meets Minister of Defense Inada Tomomi.

Oct. 7, 2016: Vice Minister Sugiyma Shinsuke meets US Permanent Representative to the UN Samantha Power in Tokyo to discuss North Korea’s nuclear tests and missile launches.


Oct. 25-27, 2016: US Assistant Secretary of State for Arms Control, Verification, and Compliance Frank Rose visits Tokyo to discuss space security, arms control, and international security.


Nov. 3-4, 2016: The 53rd Japan-US Business Conference is held in Tokyo.
Nov. 8, 2016: Donald Trump is elected 45th US president.

Nov. 9, 2016: Prime Minister Abe speaks with President-elect Trump over the phone for 20 minutes to congratulate Trump and discuss US-Japan relations.

Nov. 10, 2016: Japan’s House of Representatives votes to ratify the Trans-Pacific Partnership (TPP) trade agreement.

Nov. 11, 2016: Japan’s House of Councillors begins deliberations on the TPP trade agreement.

Nov. 17, 2016: Prime Minister Abe travels to New York to meet President-elect Trump.

Nov. 17, 2016: Naha District Court orders Japanese government to pay damages due to aircraft noise from US air base in Okinawa, but rejects plaintiffs’ demand to halt flights.

Nov. 18, 2016: Secretary of State Kerry and Foreign Minister Kishida meet on the sidelines of the APEC Ministerial Meeting in Peru.

Nov. 20, 2016: President Obama and Prime Minister Abe hold informal talks on the sidelines of the APEC Economic Leaders Meeting in Peru.

Nov. 21, 2016: President-elect Trump publishes a video message on his first 100 days in office, and announces that he plans to withdraw from the TPP trade deal on his first day as president.

Nov. 23, 2016: Defense Secretary Ash Carter says that he welcomes the Japan-Korea GSOMIA security agreement signed today.

Dec. 6, 2016: Defense Secretary Ash Carter meets Prime Minister Abe in Tokyo.

Dec. 6, 2016: Parliamentary Vice Minister for Foreign Affairs Takisawa Motome meets family members of former US prisoners of war (POWs) in Tokyo.

Dec. 7, 2016: Defense Secretary Carter and Japanese Defense Minister Inada meet in Tokyo to discuss security within the Asia-Pacific Region.

Dec. 9, 2016: Japan’s House of Councillors votes to approve the TPP trade agreement, ensuring its ratification.


Dec. 17-19, 2016: Assistant Secretary for East Asian and Pacific Affairs Daniel Russel travels to Japan to discuss bilateral and regional issues of mutual concern.


Dec. 20, 2016: Japan’s Supreme Court rules in favor of the central government in the lawsuit brought by Okinawan Gov. Onaga concerning the Futenma base relocation, likely allowing construction to resume.

Dec. 27, 2016: Prime Minister Abe visits Pearl Harbor with President Obama.