



U.S.-Japan Relations:
An Unexpected Rough Patch

Michael J. Green, CSIS Japan Chair
Shinjiro Koizumi, CSIS Japan Chair

In the last quarter of 2006, the first quarter since taking office, Japan's Prime Minister Abe Shinzo enjoyed his honeymoon period by showing the "right stuff": (snap visits to China and South Korea as part of efforts to reconcile relations with the two countries, success in reaching the unanimous resolution of the United Nations Security Council condemning North Korea for its October 2006 nuclear test; and the first summit meeting with U.S. President George W. Bush that reconfirmed the importance of and confidence in the U.S.-Japan alliance). But the decline of his popularity over the same period because of scandals and disciplinary problems in his Cabinet also revealed political weaknesses. Across the Pacific, President Bush saw his political situation deteriorate with Republican defeats in the House and Senate in November.

The first quarter of 2007 turned out to be a rough patch not only for President Bush and Prime Minister Abe domestically, but also for the U.S.-Japan alliance. In the United States the shock came from comments made by Abe and other political leaders in response to U.S. Congressional hearings regarding "comfort women" (women put into brothels for the Japanese army during the war). In Japan, the shock came from the sudden shift in U.S. policy toward North Korea with the Feb. 13 Six-Party Talks agreement. Several major U.S. newspapers criticized Abe for attempting to justify Japanese behavior during the war and virtually all Japanese newspapers criticized the U.S. decision to take a more accommodating line toward North Korea so soon after the nuclear test. For the first time since the 1995 Okinawa rape incident, editorials in both countries raised questions of trust about the other.

Despite this *Sturm und Drang* in the press and the legislatures, this quarter also saw a marked increase in high-level attention to Japan from the Bush administration, with visits to Japan from Vice President Dick Cheney, Deputy Secretary of State John Negroponte, and Deputy National Security Advisor J.D. Crouch. Meanwhile, Japan moved ahead with steps to strengthen its security policy institutions, passing legislation that elevates the Defense Agency to a ministry and introducing new legislation to establish a U.S.-style National Security Council. And fears that a more protectionist Congress might start targeting Japan proved mostly wrong as the new Democratic majority instead set its sights on China.

Prime Minister Abe will make his first visit to Washington since taking office in late April. Until then, he has to do his utmost to remind audiences in Japan and the United States that he still has the “right stuff” when it comes to tough problems like North Korea and sensitive issues like the comfort women. He also has to demonstrate his resilience domestically in April local elections just before coming to Washington. And then there is the big test – Upper House elections in July that could be make-or-break.

Abe’s slide in popularity

Prime Minister Abe’s popularity saw a sudden decline this quarter from 63 percent in September (*Asahi Shimbun*) to 40 percent in March. Moreover, in at least one poll his negative rating surpassed his approval rating (39 against 37 percent, according to *Asahi*). Before Koizumi Junichiro, a Japanese prime minister could survive with relatively low public support by relying on the factions that put him in office in the first place. But Koizumi dealt a body blow to factions and made public polling a critical indicator of the political strength of the prime minister.

There are several reasons for the slide in Abe’s popularity. First, public expectations for Abe’s performance were artificially high because of his good looks, his tough stance on North Korea, and his Kennedy-like youth and energy. More notably, it was almost certain that he would come to office long before he became prime minister, and expectations for him reached a very high level by the time he took office.

Second, Abe mishandled some domestic issues, especially in making his too-late decision to bring back the Liberal Democratic Party (LDP) members who were expelled by his predecessor, Koizumi, due to their opposition to the postal services privatization. It was expected that Prime Minister Abe would get the purged LDP members back into his party to win the upcoming Upper House election. They are believed to have the ability to mobilize strong support groups and to share the conservative views of the Abe administration. Abe’s decision itself was unpopular because it appeared to roll back his party to the pre-Koizumi period. The more damaging consequence, however, was that, in taking too long to reach a decision on readmitting the expelled members, he painted an image of himself as an indecisive leader.

Third, Abe’s Cabinet members created enough scandals to disappoint the public. The Abe administration had already lost one of its ministers and the tax commission chief last December, due to scandals. Although no more resignations of Cabinet members have taken place, Cabinet members have continued to slip up and have contributed to the sharp decline of the Cabinet’s popularity.

The first terrible gaffe was made by Yanagisawa Hakuo, minister of health, labor, and welfare. At an LDP prefectural assembly, he compared women to “baby-making machines,” and his comments invited fierce responses from the opposition parties, human rights groups, and the majority of the public. Yanagisawa immediately apologized for his remarks and denied his intention to look down on or discriminate against women, but the public demand for his resignation did not die down. Prime Minister Abe, however,

decided not to yield and kept Yanagisawa in his Cabinet. It is possible that he might not have been able to retire Yanagisawa because another resignation in his Cabinet would have thrown into question his ability to select the right person.

Defense Minister Kyuma Fumio then further undermined confidence in Abe by stating to the press that the decision to attack Iraq was a mistake and by criticizing the U.S. stance on negotiations over base relocation in Okinawa. These statements were ironic, given Kyuma's critical role within the ruling LDP to realize both policies. Nevertheless, the Bush administration was not amused and quietly expressed its displeasure through diplomatic channels, which were then leaked to the press the next day. When Vice President Cheney visited Japan in February, he did not include Kyuma in his meetings, though he did see Prime Minister Abe, Chief Cabinet Secretary Shiozaki Yasuhisa, and Foreign Minister Aso Taro. The vice president's office explained that it did not receive a request for a meeting with Kyuma and then had no time by the time the defense minister decided he wanted to be on the schedule. Whatever the reason, the appearance of a freewheeling defense minister upsetting the U.S. government and then not being disciplined by the Prime Minister's Office conveyed a public sense of uncertainty about Abe's control of his Cabinet.

A spring 2007 *Foreign Affairs* article written by Richard Katz and Peter Ennis also pointed out the reasons for Abe's difficulties on the domestic front. While the authors praised Abe's successful handling of foreign affairs, they urge him to "become as assertive within Japan as he has been abroad." Japan's success in implementing its economic reforms, Katz and Ennis argue, is not only in Japan's interest, but also in the world's interest. They note that if Abe can manage domestic affairs and push the economic reform agenda further, he could regain the confidence of people in Japan and around the world.

The difficulties Abe had this quarter at home were matched only by the struggle of opposition leader Ozawa Ichiro to maintain support with the public and control of his own Democratic Party of Japan. Rumors of Abe's demise are premature and if he regains his bearings in the April local elections, the visit to the U.S., and the big Upper House election in July, he will have two years without elections and a chance to consolidate his political and foreign policy agenda.

Comfort women

The consequences of the political shift in Washington became apparent on Feb. 15 when the Democratic leadership of the House granted Rep. Mike Honda (D-Ca) permission to hold a hearing on his nonbinding resolution on comfort women. The resolution calls for Japan to formally acknowledge and accept responsibility for comfort women and requests "a clear and unequivocal" apology to them. This news had not attracted much public attention in either the U.S. or Japan, but Prime Minister Abe inadvertently put the issue on the front pages of the U.S. press when he responded to a reporter's question about the resolution by arguing there was no evidence that the comfort women were "narrowly coerced" (meaning physically taken as sex slaves by the Imperial Army). Whether

intentional or off-the-cuff, Abe's effort to remove some of the stigma associated with the comfort women while retaining the official government position apologizing and offering compensation (the 1993 "Kono Statement"), completely backfired. On March 6, *The New York Times* published an editorial titled "No Comfort," stating, "Japan is only dishonored by such efforts to contort the truth," and requesting "official compensation to the surviving victims" and "a frank apology" by the Diet. the *Los Angeles Times* editorial titled "Paging the Emperor" urged Emperor Akihito, son of the wartime emperor, Hirohito, "to offer a more forceful apology for all crimes committed in his family's name" in order to reconcile with Japan's neighbors.

Abe recovered quickly, formally reiterating the Kono Statement and offering his own personal sympathy, apology, and remorse as the prime minister of Japan in statements to the Diet and the press. However, other conservative politicians in the Liberal Democratic Party's "Fraternity of Lawmakers Who Are Concerned about the Future of Japan and History Education" announced their intention to examine the "true facts" about the comfort women. Meanwhile, in the U.S. House of Representatives, several key Republicans who had been opposing the resolution reversed positions, leading most observers to conclude the resolution would likely pass in the subcommittee before Abe's visit to Washington.

Any fear that Japan was isolated internationally because of the history problem was quelled by the March 6 release of the annual BBC poll on which countries are most respected in the world. For the second year in a row, Japan came in number one, with 54 percent of respondents in 27 countries around the world praising Japan's contribution to international society. Voting negatively were Korea and China for the second year in a row, but, in South and Southeast Asia, Japan fared quite well.

The impact of the Six-Party Talks

While the sudden shift in U.S. policy toward North Korea was generally well received in China and South Korea, it caused considerable dismay in Japan. The Feb. 13 agreement of the six parties contained no element that hurt Japan's national interest in denuclearization and resolution of the abductee issue, yet the Japanese press analysis generally interpreted the agreement as a diplomatic defeat for Japan. Abe's decision not to provide any of the heavy fuel oil to Pyongyang under the agreement until Tokyo saw progress on the abductee issue played well at home, but raised concerns that Japan might be left behind in the negotiating process.

Contributing to the Japanese public's sense of unease were the images of smiling U.S. and DPRK negotiators making progress in their March 5-6 bilateral talks in New York, which contrasted on the television with the frowning Japanese negotiators after the DPRK walked out of the Japan-DPRK talks in Hanoi on March 7-8. While the U.S. negotiators reportedly pressed their DPRK counterparts in bilateral talks to make progress with Japan on the abductees and Vice President Cheney reiterated Washington's support on the issue while in Japan, Tokyo worried that rapid U.S.-DPRK negotiations to lift terrorist-related sanctions could lead to a decoupling of the abductee issue from the

terrorist list (the two were only formally linked by the State Department in 2003). The announcement on March 14 that the U.S. Department of Treasury would arrange the return of the \$25 million in North Korean assets frozen in the Macao-based Banco Delta Asia also stunned a Japanese public that had been told much of the money was derived from counterfeiting and illegal drug sales. Officially, the Japanese government reiterated its support for the February 13 agreement, but editorials from the conservative *Sankei* (“betrayal!!”) to the moderate *Nikkei* (“Don’t Use Diplomacy as an Alibi”) were critical of the U.S. stance. In a significant, but not surprising move, the press also reported that the Japanese Ministry of Defense would be approaching the Pentagon for briefings and explanations of how the United States would maintain the extended nuclear deterrent in the face of North Korea’s nuclear weapons and missile programs.

High-level dialogue

From Feb. 20 to March 3, Vice President Cheney, Assistant to the President and National Security Advisor Jack Dyer Crouch, and Deputy Secretary of State John Negroponte arrived in Tokyo, to deepen the U.S.-Japan strategic dialogue at a time of flux in Northeast Asia and in both countries’ domestic politics. During his stay, Cheney met Abe, Shiozaki, and Aso. They reconfirmed the importance of the U.S.-Japan security and economic relationship and promised to continue working closely with each other on the North Korean issues, including the Six-Party Talks and abduction issues, and United Nations Security Council reform, which encompasses the issue of Japan’s permanent membership in the Security Council. Crouch had another meeting in his ongoing discourse with Vice Foreign Minister Yachi Shotaro, in which they reaffirmed the importance of the U.S.-Japan alliance and agreed to see the Feb. 13 agreement on the Six-Party Talks as a step forward. Crouch also expressed his appreciation for Japan’s contribution to Afghanistan and Iraq and discussed with Yachi the Afghan and Iraqi issues that Japan and the United States should tackle in the future. Negroponte met with Shiozaki, Aso, and Yachi to reassure them of the importance of bilateral cooperation on international issues, particularly North Korean issues. All three visits were well received and viewed as timely and reassuring, given the uncertainties introduced into the public discourse on the alliance by the comfort women and North Korea issues.

Developments on the realignment of U.S. forces in Japan

This quarter saw some progress in the realignment of U.S. forces in Japan. Based on the training relocation plan in the roadmap for realignment implementation, five U.S. *F-15* fighters conducted joint exercises from March 5-8 with four Japanese *F-15*s at Tsuiki ASDF base in Fukuoka Prefecture. The *F-15* training relocation, based on the realignment of the U.S. forces in Japan, was conducted on Japan’s mainland for the first time. It is seen as the first step in the enhancement of the interoperability between Japan and the U.S. and a measure for reducing the concentration of U.S. forces in Okinawa. In FY 2007, 15 joint training exercises at six bases are expected. The Japanese government also introduced into the Diet legislation that would allow the Japan Bank of International Development (JBIC) to establish funding mechanisms to pay for the relocation of U.S. Marines from Okinawa to Guam.

JNSC report

As part of efforts to enhance the function of the Prime Minister's Office, a panel chaired by Abe submitted to the government a report aiming to establish a Japan National Security Council (JNSC) modeled after the U.S. National Security Council (NSC). The report listed only four Cabinet members (the prime minister, chief Cabinet secretary, foreign minister, and defense minister) as part of the council, in order to accelerate the policymaking process. The special adviser to the prime minister will attend the council and other ministers will also be included, depending on the issues. The JNSC will discuss basic policies on important foreign and security matters, interagency foreign and security policies, and responses to emergencies, including armed attacks, but final decision-making will be made by the Cabinet. The JNSC secretariat will be composed of 10-20 full-time staff, including Self-Defense Forces personnel and experts and researchers from the private sector. If the current Diet session will take up the bill on the creation of the JNSC, it will be officially established in April 2008.

Armitage-Nye Report Two

On Feb. 16, the long-awaited second Armitage-Nye report was finally released. The report, titled *The U.S.-Japan Alliance: Getting Asia Right through 2020*, was coauthored by former Deputy Secretary of State Richard Armitage and Harvard University professor and former Assistant Secretary of Defense for International Security Affairs Joseph Nye, with bipartisan participants (the first one was also worked on by a cross-party group led by Armitage and Nye). As the title of the report shows, Asia's status as the world center of gravity and maintaining Asia's stability are the main themes of the report. It clearly states that the U.S.-Japan alliance "can and should remain at the core of the United States' Asia strategy," while citing the U.S.-Japan-China trilateral relationship as key to the stability in Asia.

The report listed numerous recommendations, such as the U.S.-Japan free-trade agreement, U.S.-Japan-India cooperation, strengthened U.S.-Japan-Australia relations, maritime security and antipiracy, promotion of a democratic agenda in Asia, and energy cooperation. In the attached annex, there are 10 specific recommendations, especially on military and security cooperation. One of them is the deployment of the U.S. *F-22 Raptor* fighters to Japan, which has already been realized due to the deployment of 12 *F-22s* to the Kadena U.S. Air Force base on Feb. 21.

The way forward

This quarter showcased Prime Minister Abe's hardships both inside and outside Japan, coupled with his dropping popularity, a series of successive scandals from his Cabinet members, and the debate over comfort women that Abe himself provoked. Abe, however, will have a chance to regain the public's trust in his abilities at the upcoming local general election in April, although this could also turn out to be another headache, if the LDP loses badly. His first trip to the U.S. to see President Bush is scheduled for late April. That trip will afford him an opportunity to showcase his values-based diplomacy

and his government's commitment to strengthening a normative agenda in Asia based on universal values, as captured in Foreign Minister Aso's "Arc of Freedom and Stability." His message will be more convincing if he is able to set the right tone on the comfort women issue in Japan as the U.S. Congress moves to pass the Honda resolution.

In addition, a long awaited "2+2" meeting is finally likely to happen in the next quarter. It will be an important meeting for Japan and the United States to reconfirm their mutual commitment to implement their agreement on the realignment of U.S. forces and to move beyond the dissonance caused by Defense Minister Kyuma's statements on Iraq and Okinawa. Abe's vision of a stronger U.S.-Japan-India relationship will also move forward with the first ever trilateral naval exercise in April.

The next quarter will be extremely important for Abe to pave his way for the upcoming Upper House election. Because his tough stance on North Korea elevated him to office, a lack of progress on the abduction issue might hurt his credibility. In this context, the ongoing Six-Party Talks could affect the mood leading up to the election. The next quarter will give Abe many chances to score points in the international arena, but will not be free of risk.

Chronology of U.S.-Japan Relations January-March 2007

Jan. 9, 2007: Tokyo upgrades the Japan Defense Agency to the Ministry of Defense. Prime Minister Abe Shinzo attends the commemorative ceremony for the inauguration of the Ministry of Defense.

Jan. 11, 2007: After the U.S. announcement of a new policy on Iraq, Foreign Minister Aso Taro states that Japan will promote assistance through airlift service by the Japan Air Self-Defense Force and yen loan projects to Iraq up to a total of ¥79.837 billion.

Jan. 15, 2007: The Second East Asia Summit (EAS) held in Cebu, the Philippines, following ASEAN Plus Three, Japan-China-South Korea, and Japan-ASEAN summits. In the EAS, the leaders agree to the Cebu Declaration on East Asian Energy Security. The EAS chairman's statement also expresses concern about the North Korean abduction issues.

Jan. 20, 2007: U.S. Assistant Secretary of State Christopher Hill holds talks on North Korea issues in Tokyo with Sasae Kenichiro, director general of the Asia and Oceania Bureau, the Ministry of Foreign Affairs of Japan.

Jan. 24, 2007: Defense Minister Kyuma Akio comments on the Iraq war saying that the U.S. decision to fight a war with Iraq was a mistake. The U.S. expresses displeasure through diplomatic channels. Kyuma again criticizes the U.S. (Jan. 27) on U.S. attitude toward the Futenma Base transfer issue.

Jan. 25-26, 2007: Tokyo hosts the fourth Asian Senior-level Talks on Nonproliferation to discuss Iranian and North Korean nuclear developments and cooperation on nonproliferation. Participants include Australia, Canada, China, Japan, New Zealand, South Korea, the United States, and ASEAN.

Jan. 26, 2007: FM Aso gives a speech to the 166th Session of the Diet. He argues that it is time to enhance the credibility of Japan-U.S. security arrangements in facing with the nuclear threat from North Korea.

Jan. 28, 2007: *Nihon Keizai Shimbun* public opinion polls on the Abe administration show approval rate drop to 48 percent; the disapproval rating was 41 percent. [The approval rate was 71 percent in September 2006.]

Jan. 31, 2007: U.S. Rep. Michael M. Honda introduces a bipartisan resolution that calls for the Japanese government to formally and unambiguously apologize for and acknowledge the tragedy of “comfort women” endured by the Japanese Imperial Army during World War II.

Feb. 1, 2007: FM Aso delivers a speech on the WTO Doha Round. He says Japan agrees with President Bush’s statement, which reaffirmed the U.S. commitment to a successful Doha Round and would request that Congress extend the Trade Promotion Authority.

Feb. 8, 2007: Assistant Secretary Hill pays courtesy calls on Vice Foreign Minister Yachi Shotaro and FM Aso.

Feb. 8-13, 2007: The fifth round of Six-Party Talks resumes in Beijing and issues a joint statement that includes closing the Yongbyon reactor, normalizing the U.S.-DPRK diplomatic relationship, and resuming Japan-North Korea normalization of diplomatic relations and the abductees issue.

Feb. 13, 2007: Koike Yuriko, special adviser to the prime minister for national security affairs, gives a speech on Abe’s foreign and national security policy at CSIS.

Feb. 14, 2007: President Bush and Prime Minister Abe hold a summit teleconference on the North Korean nuclear issue.

Feb. 15, 2007: The U.S. House Subcommittee on Asia, the Pacific, and the Global Environment holds hearing on “comfort women” issues and protection of human rights.

Feb. 16, 2007: “The U.S.-Japan Alliance: Getting Asia Right through 2020,” co-authored by Richard Armitage and Joseph Nye, highlights major trends in Asia, provides analyses at the security and economic situation, and policy recommendations.

Feb. 19, 2007: *Asahi Shimbun* public opinion polls of the Abe administration show approval rate drops to 37 percent and disapproval rate increases to 40 percent, the first time the disapproval rating exceeded the approval rating since his September 2006 inauguration.

Feb. 20- 22, 2007: Vice President Dick Cheney and Mrs. Cheney pay an official working visit to Japan. The vice president receives an audience with the Emperor and Empress of Japan, and then meet Prime Minister Abe Shinzo.

Feb. 26-28, 2007: Deputy National Security Advisor J. D. Crouch visits Japan to meet FM Aso and VFM Yachi.

March 1-3, 2007: Deputy Secretary of State John Negroponte visits Japan to exchange views on the U.S.-Japan alliance and East Asia security environment with Japanese officials. Japan is the first destination for Negroponte after being confirmed as deputy secretary of state.

March 5, 2007: Prime Minister Abe says that the Japanese government will not apologize again even if the House of Representatives passes the nonbinding resolution requesting Tokyo to apologize for the “comfort women” issue. He reiterates that the Japanese government did not backtrack from the Kono Statement which offered “sincere apologies and remorse” to former comfort women.

March 5-6, 2007: The U.S. and North Korea hold working group meetings in New York to discuss North Korean nuclear arms programs, removal of North Korea from the U.S. list of state-sponsor of terrorism, and normalization of trade relations.

March 6, 2007: *BBC World Service* poll ranks Japan as the most positively judged country with an average of 54 percent positive responses (20 percent negative) among 27 countries. The U.S. receives 31 percent positive and 51 percent negative responses.

March 7-8, 2007: Japan and North Korea hold bilateral six-party working group talks in Hanoi, Vietnam, to discuss normalization of diplomatic relations and the abduction issues. No new developments are reported.

March 9, 2007: U.S. Ambassador Schieffer tells Japanese reporters a move away from the 1993 Kono Statement would have a significant negative impact on the American people. “It would be a mistake to underestimate the impact of this issue in the United States,” he said. “Engaging women in trafficking or the sex trade against their will is something that is going to find no constituency in the United States,” he added.

March 11-14, 2007: Australian Prime Minister John Howard visits Japan. On March 13, PM Abe and PM Howard hold a summit meeting in Tokyo, and sign the Japan-Australia Joint Declaration of Security Cooperation that provides for diplomatic and military cooperation, including periodical dialogues and joint exercises.

March 14, 2007: U.S. Treasury announces lifting of *de facto* sanctions on North Korea. It also announces that treatment of the North Korean Banco Delta Asia (BDA) account will be left to the discretion of the Macau authority.

March 14, 2007: Ambassador Schieffer hopes PM Abe's recent remarks to uphold the 1993 Kono Statement to express the remorse of the Japanese government over wartime sex slavery will reduce the international criticism of Abe's earlier remarks questioning the existing evidence.

March 14, 2007: Ambassador Schieffer tells reporters in Tokyo that the burdens of the U.S. and Japan were not equal in relation to GDP ratio of defense spending, and he hoped that Japan would increase defense spending.

March 16, 2007: Ambassador Schieffer describes "comfort women" as the victims of serial rape by the Japanese military during World War II.

March 16, 2007: Director General of the IAEA Mohamed Elbaradei holds a meeting in Beijing with U.S., Japanese, and South Korean ambassadors in charge of North Korean nuclear issues to report on his visit to North Korea from March 13 to 14.

March 19-22, 2007: The first phase of the sixth round of the Six-Party Talks is held in Beijing. North Korea says that it will not start discussions on denuclearization until the remittance of money from BDA is confirmed.

March 21, 2007: Defense Minister Kyuma and Chief of the Joint Chiefs of Staff Gen. Peter Pace meet in Tokyo and come to agreements on close cooperation on Iraq and Futenma airbase relocation issues.

March 23, 2007: Tokyo adopts the Missile Contingency Guideline, which enables the defense minister to mobilize ballistic missile defense without Cabinet approval when Japan is under attack.