

# Comparative Connections

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## U.S.-Japan Relations: A Fresh Start

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A new calendar year did little to change the tenor of Japanese domestic politics as the public became increasingly frustrated with parliamentary gridlock and the leadership of Prime Minister Aso Taro, whose approval rating plummeted amid a deepening recession. Opposition leader Ozawa Ichiro continued pressure tactics against the government and became the favorite to succeed Aso until the arrest of a close aide damaged his reputation and stunted momentum for a snap election. Aso demonstrated the art of political survival, touting the urgency of economic stimulus over a poll he could easily lose and which need not take place until the fall. In an effort to prevent political turmoil from weakening Japan's global leadership role, the government dispatched two Maritime Self-Defense Force (MSDF) destroyers to participate in antipiracy operations in the Gulf of Aden.

The Obama administration wasted little time in establishing a positive trajectory for the U.S.-Japan alliance, first sending Secretary of State Hillary Clinton to Tokyo in mid-February and receiving Prime Minister Aso at the White House shortly thereafter. The core agenda items for both visits – the economic crisis, North Korea, Afghanistan, and climate change – reflected both regional and global challenges. Bilateral issues also featured prominently on the agenda in the form of an agreement on the relocation of U.S. forces from Okinawa to Guam. In a fitting end to a quarter of close bilateral coordination, Washington and Tokyo were poised to monitor an anticipated missile test by North Korea and orchestrate a cohesive response that could determine the fate of the Six-Party Talks.

### **Putting off an election**

Prime Minister Aso opened the year with a pledge to stimulate the economy but could not win public support in the face of grim economic data; for example, exports fell 50 percent in January from a year earlier and the economy shrank at an annualized rate of 12.7 percent in the fourth quarter of 2008. Unable to reach a compromise with the opposition led by Democratic Party of Japan (DPJ) President Ozawa Ichiro, Aso was forced to ram a second stimulus package through the Diet in January by asking his ruling coalition to vote on it a second time with a two-thirds majority in the Lower House, but that did little to improve his standing. Aso then compounded his political problems in early February by stating that he opposed former Prime Minister Koizumi Junichiro's plan to privatize the postal system – a symbol of economic reform that propelled the Liberal Democratic Party (LDP) to a landslide victory in an election back in 2005 – despite having served in Koizumi's Cabinet at the time. This raised questions about Aso's

credibility. A week later the public was outraged by video footage showing Finance Minister Nakagawa Shoichi seemingly intoxicated during a press conference with the Japanese media at a G7 meeting in Rome. Nakagawa was forced to resign and Aso's approval rating dropped below ten percent in some polls. Opposition members repeatedly called for a snap election, but Aso stood firm stressing the importance of economic stimulus measures and noting that, as prime minister, the timing of an election is his prerogative.

Meanwhile, Ozawa Ichiro's popularity increased steadily and he escalated a rhetorical campaign based on two themes: criticizing the LDP on domestic policy and standing up to the U.S. (using phrases such as "equal alliance.") But like Aso, Ozawa raised eyebrows with controversial commentary, was tarnished by scandal, lost the support of the public, and refused to step down. He caused a stir in the media in February, when he stated that the U.S. 7<sup>th</sup> fleet alone should suffice for maintaining security in the Far East, implying that the U.S. footprint in Japan should be drastically reduced and Japan would fill the gap (thus pulling off the rare feat of simultaneously angering both the pro-U.S. conservatives and the pacifist left within the DPJ). One of his closest aides, Okubo Takanori, was then arrested in early March for allegedly accepting illegal donations from a construction company. Ozawa apologized to the public but refused to resign as DPJ president. A *Yomiuri* poll published on March 26 said 68 percent of the public opposed Ozawa as head of the DPJ.

Aso's approval rating rebounded to just above 20 percent at the end of March and he intimated during a press conference on March 31 that he might consider dissolving the Lower House if the opposition refused to pass a third stimulus package this spring. He could also wait until August in an attempt to develop a message that resonates with the public, but that might prove challenging for both parties as ambivalence best describes current attitudes about politics. According to an *Asahi Shimbun* poll published on March 17, 60 percent of the public is disappointed with the state of politics and close to 90 percent feels that political leaders are not offering a future vision for the country nor reflecting the will of the people. The Aso government did garner public support for its decision to dispatch two MSDF destroyers to the Gulf of Aden for antipiracy missions, which 61 percent of the public favored according to a *Yomiuri* poll in mid-March.

### **Kick-starting alliance cooperation**

President Obama moved quickly to dispel any concerns in Japan that a Democratic administration might place less emphasis on the U.S.-Japan alliance. Hillary Clinton sent a strong signal by emphasizing in her Senate confirmation hearing that the U.S.-Japan alliance remains the "cornerstone" of U.S. Asia policy. The administration then announced that her first trip as secretary of state would be to Asia and that she would stop in Tokyo first. Just prior to her departure, in an address to the Asia Society, Secretary Clinton stated that the U.S. has not forgotten the families of Japanese citizens abducted to North Korea and she later met them during her visit to Tokyo from Feb. 16-17. Her meeting with Foreign Minister Nakasone Hirofumi covered a broad spectrum of issues including the global economic crisis, extended deterrence, the North Korean nuclear issue, efforts to stabilize Afghanistan and Pakistan, and climate change. The two also signed an agreement on the relocation of U.S. forces from Okinawa to Guam, a central element in a realignment plan finalized back in May 2006. Clinton

also met other leaders including DPJ President Ozawa, who reportedly emphasized the importance of China and the U.S.-Japan-China trilateral relationship. She also conducted a town hall meeting at the University of Tokyo to reinforce the administration's theme of listening to the perspectives of friends and allies.

Secretary Clinton also delivered an invitation to Prime Minister Aso, who a week later became the first foreign leader to meet President Obama in the White House. That discussion centered on the need to coordinate responses to the global financial crisis but also addressed North Korea's nuclear and missile programs and the abductee issue. The president thanked Aso for Japan's contributions in Afghanistan, but did not pressure Japan to assume a greater military role. Japan has dispatched MSDF vessels for refueling missions in the Indian Ocean since 2001 and is also a major aid donor to Afghanistan. The government has provided approximately \$1.78 billion in aid since 2001 in various areas including governance; humanitarian assistance; reconstruction; disarmament, demobilization, and reintegration (DDR) projects; and counter-narcotics and border control. Climate change also figured in the discussions and could serve as a key agenda item for bilateral cooperation. Though the Japanese media tended to downgrade the meeting as truncated and business-like, the leaders set the stage for sustained coordination on key challenges regardless of the election outcome in Japan.

There were only a few minor sour notes in this impressive start to alliance relations under the new Obama administration. The first was U.S. Treasury Secretary Timothy Geithner's failure to publicly acknowledge Japan's \$100 billion contribution to the IMF and its passage of two stimulus packages when calling on the international community to support developing economies through the IMF and promote domestic stimulus measures. Within the G20 process, the U.S. and Japan may be the two most closely aligned countries on the need for replenishing the IMF and increasing stimulus. Finance Minister Yosano Kaoru met Geithner in England on the sidelines of a G20 preparatory meeting in March and explained Prime Minister Aso's desire to pass a third stimulus package this spring, noting that the three packages combined would surpass Geithner's proposed threshold of 2 percent of GDP. The other sour note was a leak by someone in the Japanese government of U.S. intelligence shared on the North Korean rocket launch preparations just before Secretary Clinton's visit to Tokyo. If the new administration loses confidence in Tokyo's ability to handle the most sensitive intelligence, it could become a problem for the overall flow of information and coordination between the two governments.

### **Preparing for a missile launch**

On Feb. 3, the *Sankei Shimbun* reported that North Korea had begun preparations for a long-range missile test. Pyongyang claimed to be planning a satellite launch on what many analysts concluded was a *Taepodong-2* missile. The U.S., Japan, and South Korea agreed that a launch would violate United Nations Security Council (UNSC) Resolution 1718, which prohibits any missile activity by North Korea, and later dispatched ships to monitor any missile test. They also began considering Security Council resolutions or statements that might be adopted after Secretary Clinton warned publicly that there would be "consequences" for the launch. However, Chinese and Russian cooperation in the Security Council was not a foregone conclusion since both Beijing and Moscow accepted North Korean claims that the launch was intended to put a peaceful satellite into space. Meanwhile, the Japanese government announced it would shoot

down any debris that might fall on Japanese territory in a demonstration of its missile defense capabilities. Japan deployed three *Aegis* destroyers together with two U.S. and one South Korean missile defense ships monitoring North Korean actions.

### **A lot to watch**

North Korea's antics will certainly take center stage next quarter. Washington and Tokyo can also be expected to build on whatever agreements come out of the G20 summit in London concerning the global economy. The United Nations Framework Convention on Climate Change (UNFCCC) talks in Bonn carry over into the second quarter and could shed light on the prospects for a post-Kyoto framework at the 15<sup>th</sup> Conference of the Parties (COP 15) in Copenhagen this December. Japan will host a Pakistan donors' conference in April and assume a leadership role in promoting reconstruction and development. There may also be an election in Japan, which could produce the first non-LDP government since 1994.

## **Chronology of U.S.-Japan Relations January-March 2009**

**Jan. 1, 2009:** In a New Year's message, Prime Minister Aso Taro addresses the global economic crisis and vows to make Japan the first country to emerge from recession.

**Jan. 1, 2009:** Democratic Party of Japan (DPJ) President Ozawa Ichiro issues a New Year's message titled, "The Year of Change" and outlines a five-point policy platform for the next Lower House election.

**Jan. 4, 2009:** In his first press conference of the year, PM Aso refuses to consider the dissolution of the Lower House until budget measures are passed in the Diet citing the need for economic stimulus measures.

**Jan. 4, 2009:** In his first interview of the year, DPJ President Ozawa denounces government economic policies and reiterates his desire to win the next election to "protect the lives and livelihoods of the people."

**Jan. 6, 2009:** PM Aso rejects DPJ Secretary General Hatoyama Yukio's call for his resignation citing the need to stem the adverse effects of the financial crisis.

**Jan. 7, 2009:** *Asahi Shimbun* reports that Joseph Nye will become U.S. ambassador to Japan.

**Jan. 10, 2009:** The first six of 12 U.S. Air Force *F-22 Raptor* stealth fighters arrive at Kadena Air Base in Okinawa for a three-month deployment, the second such deployment to the Far East since 2007.

**Jan. 11, 2009:** PM Aso's disapproval rating is 72 percent according to a *Yomiuri Shimbun* poll.

**Jan. 12, 2009:** PM Aso and South Korean President Lee Myung-bak agree at a summit in Seoul to jointly tackle the global financial crisis and work closely with the Obama administration on North Korean issues.

**Jan. 12, 2009:** A *Fuji Sankei* poll, asking who is most suitable to become prime minister, deems Ozawa Ichiro most popular for the first time with 13.2 percent of responses followed by former PM Koizumi Junichiro with 9.9 percent. PM Aso comes in fourth with 5.9 percent and 25.7 percent of respondents said no one is suitable to lead the country.

**Jan. 13, 2009:** A second supplementary budget and other measures, including a cash handout program for households, are passed in the Lower House of the Diet.

**Jan. 13, 2009:** MP Watanabe Yoshimi quits the ruling Liberal Democratic Party (LDP) to protest PM Aso's policies.

**Jan. 14, 2009:** PM Aso dismisses a vice minister in the Cabinet office for refusing to vote for the second supplementary budget in the Lower House.

**Jan. 14, 2009:** During a farewell appearance at the Japan National Press Club in Tokyo, U.S. Ambassador to Japan Thomas Schieffer states that Japan should consider exercising the right of collective self-defense.

**Jan. 15, 2009:** Secretary of State-designate Hillary Clinton praises the U.S.-Japan alliance as the cornerstone of U.S. policy in Asia during her Senate confirmation hearing.

**Jan. 16, 2009:** Japan's Ministry of Defense releases a policy blueprint for the use of space for defensive purposes.

**Jan. 21, 2009:** PM Aso issues a statement of congratulations on the inauguration of President Barack Obama.

**Jan. 21, 2009:** DPJ Secretary General Hatoyama offers congratulations on the inauguration of President Obama and criticizes the LDP as simply following the direction of the U.S.

**Jan. 22, 2009:** The Bank of Japan revises previous GDP estimates and predicts the Japanese economy will shrink two percent in fiscal 2009, the steepest contraction on record.

**Jan. 22, 2009:** Japan's Ministry of Finance announces that Japan's 2008 trade surplus fell 80 percent compared to the previous year.

**Jan. 23, 2009:** Secretary of State Clinton expresses sympathy during a telephone conversation with Foreign Minister Nakasone Hirofumi for the relatives of Japanese citizens abducted by North Korea.

**Jan. 23, 2009:** Japan launches the Greenhouse Gases Observing Satellite (GOSAT) *Ibuki* into space, the first satellite dedicated to monitoring greenhouse gas emissions.

**Jan. 26, 2009:** A *Mainichi Shimbun* poll lists an approval rating of 19 percent for PM Aso, and a disapproval rating of 65 percent.

**Jan. 27, 2009:** A second supplementary budget for fiscal year 2008 comes into force after the ruling coalition passes it a second time in the Lower House of the Diet.

**Jan. 28, 2009:** Japanese Defense Minister Hamada Yasukazu orders preparations for the dispatch of Maritime Self Defense Force (MSDF) vessels to the coast of East Africa and the Gulf of Aden for antipiracy operations.

**Jan. 28, 2009:** In a speech to the Diet, PM Aso vows to create 1.6 million jobs over three years and touts stimulus measures to pull Japan out of recession.

**Jan. 29, 2009:** During a brief telephone conversation, President Obama and PM Aso agree to tackle the global financial crisis and other issues including North Korea.

**Jan. 29, 2009:** A white paper on Official Development Assistance (ODA) prepared by the Ministry of Foreign Affairs for the Cabinet states Japan fell to fifth place in 2007.

**Feb. 3, 2009:** *Sankei Shimbun* reports that North Korea has begun preparations for a *Taepodong-2* missile launch.

**Feb. 4, 2009:** In an appearance before the Lower House Budget Committee, PM Aso criticizes the “buy American” provisions in the U.S. stimulus package as a violation of World Trade Organization (WTO) rules.

**Feb. 5, 2009:** PM Aso states during a question and answer session in the Diet that he opposed the break-up of Japan Post into four companies back in 2005, despite his having served in the Koizumi administration at the time, and that the decision should be reviewed.

**Feb. 5, 2009:** The State Department announces that Japan will be Hillary Clinton’s first stop on her first trip abroad as secretary of state.

**Feb. 6, 2009:** PM Aso backtracks, stressing that he never said Japan Post should be nationalized and that the 2005 election was obviously about privatizing the postal service.

**Feb. 6, 2009:** A *Yomiuri Shimbun* poll asking who is most suitable to be prime minister finds former PM Koizumi most popular with 14.4 percent, followed by Ozawa Ichiro with 13.7 percent. Aso came in fourth at 4.7 percent.

**Feb. 9, 2009:** Still under fire for controversial comments about postal privatization, PM Aso revises his previous marks and states that the plan was acceptable in the end.

**Feb. 9, 2009:** A poll by *Asahi Shimbun* projects an approval rating of 14 percent for PM Aso, with a disapproval rating of 73 percent.

**Feb. 10, 2009:** A joint survey by *BBC News* and *Yomiuri Shimbun* reveals that 56 percent of respondents polled worldwide said Japan has a positive influence in the world.

**Feb. 12, 2009:** Former PM Koizumi criticizes PM Aso's comments on postal privatization deeming them laughable.

**Feb. 16, 2009:** The government of Japan releases figures indicating Japan's economy shrank at an annualized rate of 12.7 percent in the fourth quarter of 2008.

**Feb. 17, 2009:** Japanese Finance Minister Nakagawa Shoichi resigns after reportedly appearing drunk during a press conference at a G7 summit in Rome on Feb. 14. He is replaced by Minister for Economic and Fiscal Policy Yosano Kaoru, who holds both posts concurrently.

**Feb. 17, 2009:** Secretary Clinton meets Foreign Minister Nakasone in Tokyo and the two sign an accord regarding the relocation of U.S. military personnel to Guam. Clinton also meets with opposition leader Ozawa and relatives of Japanese citizens abducted by North Korea.

**Feb. 18, 2009:** PM Aso's approval rating falls to 13.4 percent in a *Kyodo News* poll.

**Feb. 23, 2009:** Polls by *Fuji Television* and *Mainichi Shimbun* show an 11 percent approval rating for PM Aso.

**Feb. 24, 2009:** PM Aso meets President Obama at the White House, the first foreign leader to do so. The two discuss the global economic crisis, North Korea, Afghanistan, and climate change.

**Feb. 24, 2009:** DPJ President Ozawa states that as Japan assumes a greater role in its defense the need for a U.S. presence will decrease and that the presence of the 7<sup>th</sup> fleet alone should suffice in maintaining security in the Far East.

**Feb. 28, 2009:** Japanese Agriculture Minister Ishiba Shigeru suggests during an appearance on a television program that PM Aso should call a snap election.

**March 2, 2009:** In response to Ishiba's comments, PM Aso states that the timing of an election is his prerogative and that economic stimulus measures should take precedence.

**March 3, 2009:** Okubo Takanori, a senior aide to DPJ President Ozawa, is arrested for allegedly violating regulations on political contributions. Two executives of the Nishimatsu construction company are also arrested for allegedly making illegal donations to Okubo.

**March 3, 2009:** Defense Minister Hamada announces that if North Korea conducts a missile test, Japan will shoot down any debris that falls toward Japanese territory.

**March 4, 2009:** DPJ President Ozawa holds a press conference and refuses to resign in the wake of the Okubo scandal, criticizing the arrest of his aide as an abuse of state power.

**March 5, 2009:** U.S. Special Envoy for North Korea Stephen Bosworth meets Saiki Akitaka, director general Asian and Oceanian Affairs Bureau of the Ministry of Foreign Affairs, in Tokyo to discuss the North Korean nuclear issue.

**March 5, 2009:** Public opinion poll by the Cabinet office shows over 70 percent of respondents somewhat or extremely supportive of the MSDF refueling mission in the Indian Ocean.

**March 8, 2009:** *Asahi Shimbun* poll shows 57 percent of the Japanese public thinks Ozawa Ichiro should resign as DPJ president. PM Aso's approval rating was 14 percent in the same poll; *Kyodo News* poll shows an approval rating of 16 percent.

**March 9, 2009:** Ministry of Finance reports Japanese exports fell close to 50 percent in January 2009 from a year earlier and that the country posted its first current account deficit in 13 years.

**March 9, 2009:** U.S. Special Envoy Bosworth states in Seoul that a North Korean missile launch would constitute a contravention of UNSC Resolution 1718.

**March 10, 2009:** DPJ President Ozawa holds a press conference and apologizes to the public for the Okubo scandal but declines to resign.

**March 11, 2009:** Defense Minister Hamada urges North Korea not to conduct what it argues is a satellite test warning that a launch of what others believe to be a ballistic missile could damage peace and stability in the region.

**March 11, 2009:** Secretary Clinton notes during media availability with Chinese Foreign Minister Yang Jiechi in Washington that the Obama administration is ready to send Special Envoy Bosworth to Pyongyang to begin direct discussions with the North Korea but that he has not been invited.

**March 13, 2009:** Defense Minister Hamada orders the dispatch of two destroyers to take part in anti-piracy missions off the coast of Somalia.

**March 13, 2009:** In an interview with *Asahi Shimbun*, PM Aso states that Japan will push for a new United Nations Security Resolution sanctioning North Korea if it conducts a missile test.

**March 13, 2009:** Two MSDF destroyers set sail for antipiracy missions off the coast of Somalia.

**March 15, 2009:** Japanese Finance Minister Yosano Kaoru and U.S. Treasury Secretary Timothy Geithner meet on the sidelines of a G20 preparatory meeting in the United Kingdom and agree to promote stimulus packages totaling the equivalent of two percent of GDP.

**March 17, 2009:** An *Asahi Shimbun* poll shows that 60 percent of the public is disappointed with the state of Japanese politics, with close to 90 percent saying politicians have not presented a future vision for the country and are not reflecting the will of the people.



**March 18, 2009:** In a *Yomiuri Shimbun* poll asking who is most suitable to be prime minister, former PM Koizumi comes in first with 12.9 percent, DPJ President Ozawa fifth with six percent, and PM Aso eighth with 3.5 percent.

**March 24, 2009:** Okubo Takanori, a senior aide to Ozawa Ichiro, is indicted for violating regulations on political donations. Ozawa announces his decision to stay on as DPJ President.

**March 26, 2009:** A *Yomiuri Shimbun* survey shows that 68 percent of the public opposes Ozawa Ichiro as head of the DPJ. PM Aso's approval rating increases to 23 percent from 17 percent in a previous survey.

**March 27, 2009:** Japan's Diet enacts a record \$897 billion budget for fiscal year 2009.

**March 28, 2009:** Public opinion poll released by Cabinet office shows 68 percent of Japanese are pessimistic about the economy with 57 percent expressing concern about unemployment.

**March 31, 2009:** PM Aso calls for a third stimulus package and announces his intention to submit it to the Diet for approval during the current session.